

**CITY OF SPRINGFIELD, MISSOURI**

Comprehensive Annual Financial Report

June 30, 2006

# **CITY OF SPRINGFIELD, MISSOURI**

## **Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2006**

---

**Prepared by the Department of Finance**

**Mary Mannix-Decker  
Director of Finance**

**David Holtmann, CPA  
Accounting Manager**

---



# **MISSION**

**The people of our community are the only  
reason we are here.**

**Therefore,**

**We are committed to  
WORKING WITH THE COMMUNITY  
to provide ethical and responsible local government  
so that everyone can enjoy the benefits  
of living and working in Springfield.**

**We will achieve this through:**

**Integrity and Pride of Service**  
in everything we say and do, and with dedication to quality.

**Cooperating and Communication**  
with one another and with citizens to ensure open government,  
and open management with no surprises.

**Continuous Improvement of Services**  
through cost-effective utilization of  
people, materials, equipment and technology.

**Leadership and Knowledge**  
through staff training and development.

**Innovation**  
in how we meet present and future needs of our city.



# CITY OF SPRINGFIELD, MISSOURI

## Table of Contents

	Pages
Introductory Section:	
Organization Chart	1
Letter of Transmittal	2 – 5
GFOA Certificate of Achievement	6
Financial Section:	
Independent Auditors' Report	7 – 8
Management's Discussion and Analysis (Unaudited)	9 – 15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
Statement of Net Assets	22 – 23
Statement of Revenues, Expenses, and Changes in Fund Net Assets	24
Statement of Cash Flows	25
Fiduciary Funds:	
Statement of Fiduciary Net Assets	26
Statement of Changes in Fiduciary Net Assets	27
Notes to Financial Statements	28 – 71
Required Supplementary Information:	
Budgetary Comparison Schedules	72 – 73
Notes to Budgetary Comparison Schedules	74
Schedule of Funding Progress/Actuarial Methods and Assumptions—Retirement Plan	75

# CITY OF SPRINGFIELD, MISSOURI

## Table of Contents

	Pages
Supplemental Information:	
Combining Balance Sheet—Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Governmental Funds	77
Combining Balance Sheet—Nonmajor Special Revenue Funds	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Special Revenue Funds	80
Special Revenue Funds—Budgetary Comparison Schedules	81 – 90
Combining Balance Sheet—Nonmajor Debt Service Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Debt Service Funds	93
Combining Balance Sheet—Nonmajor Capital Projects Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Capital Projects Funds	96
Combining Balance Sheet—Nonmajor Permanent Funds	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Permanent Funds	99
Combining Statement of Net Assets—Internal Service Funds	101
Combining Statement of Revenues, Expenses, and Changes in Net Assets—Internal Service Funds	102
Combining Statement of Cash Flows—Internal Service Funds	103
Combining Statement of Fiduciary Assets and Liabilities—Agency Funds	105
Statistical Section (Unaudited):	
Net Assets by Component	106
Changes in Net Assets	107
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds	111
Tax Revenues by Source, Governmental Funds	112
Assessed Value and Estimated Actual Value of Taxable Property	113
Direct and Overlapping Property Tax Rates	114
Principal Property Tax Payers	116
Property Tax Levies and Collections	118
Taxable Sales by Category	119
Direct and Overlapping Sales Tax Rates	120
Sales Tax Revenue Payers by Industry	121
Ratios of Outstanding Debt by Type	122
Ratios of General Bonded Debt Outstanding	123
Direct and Overlapping Governmental Activities Debt	124
Legal Debt Margin Information	125
Pledged-Revenue Coverage	126
Demographic and Economic Statistics	128
Principal Employers	129
Full-time-Equivalent City Government Employees by Function/Program	130
Operating Indicators by Function/Program	131
Capital Asset Statistics by Function/Program	132

## **INTRODUCTORY SECTION**

**CITY OF SPRINGFIELD, MISSOURI**  
Comprehensive Annual Financial Report  
Fiscal Year July 1, 2005 through June 30, 2006

**Mayor**

*Thomas J. Carlson*

**City Council**

*Denny Whayne  
Sheila O. Wright  
Ralph K. Manley  
John D. Wylie  
Mary Collette  
Gary Deaver  
Conrad Griggs  
Bob Jones*

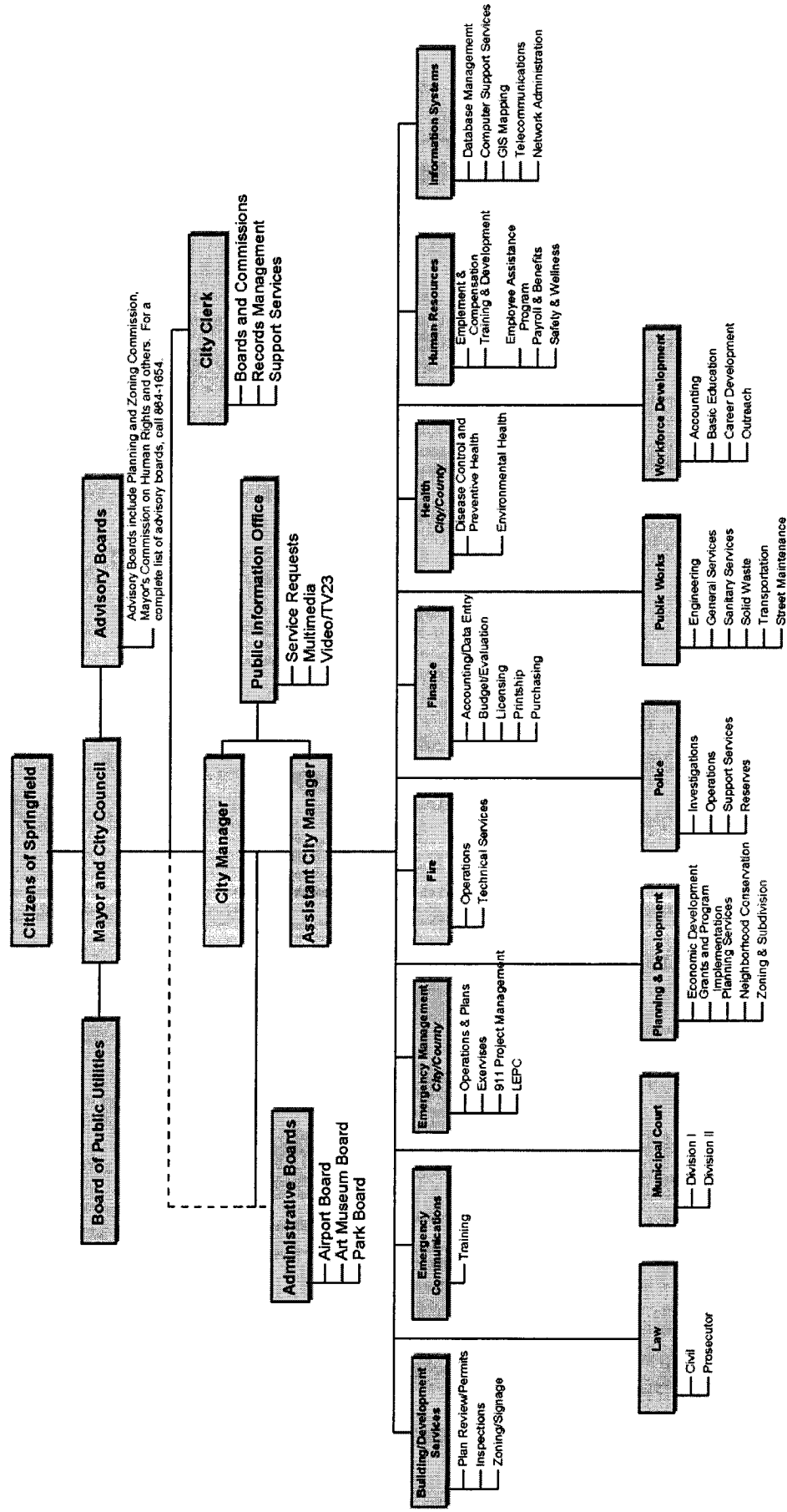
*Zone 1  
Zone 2  
Zone 3  
Zone 4  
General (A)  
General (B)  
General (C)  
General (D)*

**City Officials**

*Bob Cumley  
Evelyn Honea  
Daniel Wichmer  
Brenda Cirtin  
Marc Thornsberry  
Kevin Gipson  
Mary Mannix-Decker  
Lynn S. Rowe  
Dan Whilser  
Dan Kinney  
Sheila Maerz  
Ralph Rognstad  
Gary Cyr  
Robert E. Simpson  
Nick Heatherly  
Todd Thornhill  
Jerry Berger  
Becky Jungmann  
Clay Goddard*

*City Manager  
Assistant City Manager  
City Attorney  
City Clerk  
Director of Public Works  
Director of Public Health and Welfare  
Director of Finance  
Chief of Police  
Fire Chief  
Director of Parks and Recreation  
Director of Human Resources  
Director of Planning and Development  
Director of Aviation  
Director of Work Force Development  
Director of Building Development  
Chief Municipal Judge  
Director of Art Museum  
Director of Emergency Communication  
Director of Information Systems*

# City Government's Organization Chart



Note: All Departments include an administrative section.





November 14, 2006

**Honorable Mayor  
Members of the City Council**

**Citizens of the City of Springfield, Missouri**

The Finance Department is pleased to present the Comprehensive Annual Finance Report (CAFR) for the City of Springfield, Missouri (the City) for fiscal year ended June 30, 2006. This report is submitted to you in compliance with the City Charter, Section 5.2, that requires an annual report to the City Council on the financial condition of the City.

Responsibility to report financial data that is complete and accurate rests with the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects, on a government-wide and a fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

To ensure reliability of the accounting data upon which the City's financial statements are based, internal controls are utilized to provide reasonable assurance that transactions are accounted for properly and City assets are safeguarded. Additionally, the Finance Department staff has prepared this report in conformity with U.S. generally accepted accounting principles (GAAP), which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly.

The independent auditing firm of KPMG LLP has audited the City's financial statements. The purpose of the audit conducted by KPMG was to review and provide reasonable assurance that the City's financial statements for year ended June 30, 2006 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

In addition to the independent audit of the financial statements, a separate, federally mandated "Single Audit" was performed to meet the needs of specific grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

The CAFR is presented in three sections: introductory, financial, and statistical. The *introductory section* is designed to introduce the reader to the report and includes this transmittal letter, the City's organizational chart, a list of principal officials, and the GFOA (Government Financial Officers Association) Certificate of Achievement for Excellence in Financial Reporting for the 2005 CAFR.

**DEPARTMENT OF FINANCE**

840 Boonville Avenue, P.O. Box 8368      Springfield, Missouri 65801-8368  
phone: (417) 864-1625      fax: (417) 864-1880  
homepage: <http://www.springfieldmo.gov>      e-mail: [city@ci.springfield.mo.us](mailto:city@ci.springfield.mo.us)

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springfield, Missouri for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the 29th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The *financial section* begins with the independent auditors' report. The auditors' report discloses the opinion of the independent auditors with regard to the presentation of the financial statements. This section also includes management's discussion and analysis, the financial statement and notes that provide an overview of the City's financial position and operating results, the combining statement for nonmajor funds, and other schedules that provide detailed information relative to the basic financial statements.

The *statistical section* includes selected financial and demographic information, generally presented on a multi-year basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedules presented in the financial section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section, immediately following the report of the independent auditors.

### **Profile of the City**

The City is a home rule city, which was incorporated on February 18, 1838. Springfield is the third largest city in Missouri, with approximately 163,600 residents, and serves as the county seat for Greene County. With an estimated 80 square miles of land, the City is at the center of a rapidly growing region in the southwestern corner of the state, approximately 170 miles south of Kansas City and 200 miles southwest of St. Louis. The City is empowered to levy property taxes on both real and personal property located within its boundaries and has the authority to extend its corporate limits through annexation, when deemed appropriate and as approved by City Council.

The City has operated under the Council-Manager form of government since March 17, 1953. As the legislative body, the City Council is responsible for enacting all ordinances, resolutions, and regulations governing the City, as well as for appointing the members of various statutory and ordinance boards, the City Manager, and the City Clerk.

The City Council consists of the Mayor and eight Council members, who are elected on a nonpartisan basis. The Mayor serves a two-year term and Council members, four at-large and one from each of four zones within the City, each serve staggered four-year terms. As chief administrator, the City Manager is responsible for enforcement of the laws and ordinances, as well as the supervision of all offices and departments created by the Council.

The City provides the full range of services normally associated with a municipality, including police and fire protection, emergency communication center, public works services, public health services, parks and other recreational facilities, an art museum, and general administrative services. The City also operates the

Springfield-Branson National Airport, the sanitary sewerage and solid waste disposal systems, and the City's municipal golf courses, all of which are accounted for in the financial statements as business-type funds.

This report presents data for the financial reporting entity, which includes all departments, funds, boards, and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The two component units of the City include the Public Building Corporation (PBC), which is a blended component unit and City Utilities of Springfield, Missouri, which is a discretely presented component unit. The financial reporting entity is discussed further in note 1 to the financial statements.

The Springfield R-12 School District and the Springfield Housing Authority do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

The annual budget serves as the foundation for the City's financial planning and control. During the budget preparation process, each office, department, and agency of the reporting entity provides detailed estimates of revenue and expenditures for evaluation by the City Manager. The City Manager also reviews estimates of all pending capital projects and those recommended for approval in the next budget year and within the succeeding five years. The City Manager may revise the estimates, as he deems necessary. At least 60 days prior to the beginning of each budget year, the City Manager submits to City Council a final budget. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department heads may make transfers of appropriations within their departments. However, transfers between departments require the special approval of the City Council. Budget-to-actual comparisons for the general and special revenue funds are provided in this report.

### **Factors Affecting Financial Condition**

**Local economy**—The City is experiencing some moderate growth as is reflected in the 2.2% growth rate for the metropolitan area. Springfield's economy is highly diversified, with major industrial, medical, manufacturing, and educational institutions, keeping the City's unemployment rate below the state and national averages. The average unemployment rate for 2006 for the metropolitan area was 3.7% as compared to the state average of 4.7% and the national average of 4.7%.

Springfield is home to the operations of several large companies such as: Kraft Foods; 3M Company—Adhesive, Coatings and Sealers Division; Bass Pro Shops; MCI WorldCom; JP Morgan Chase, Northrop Grumman Interconnect Technologies; Springfield Remanufacturing Corporation; Regal-Beloit (formerly General Electric); Reckitt Benckiser; Willow Brook Foods; and Prime Trucking. Springfield has what many businesses are looking for—a high quality of life, a well-trained workforce, and low cost of living.

Missouri State University, with an enrollment of approximately 19,000 students, is located in Springfield, along with four private higher learning institutions—Drury University, Evangel University, Baptist Bible College, and Central Bible College. In addition, Ozarks Technical Community College provides vocational and technical training services to over 9,300 students within the eight-county region surrounding the City.

**Long-term financial planning**—The City utilizes a five-year capital improvement program to prioritize public projects, which will be scheduled over a number of years as financial resources are available. When possible, the City looks for creative funding solutions such as cost sharing with other governmental agencies, public-private cooperative efforts, special purpose taxes, and modifications to development regulations as methods of providing needed capital items. The underlying philosophy of the capital improvements program prioritizes needs into three categories: (1) the protection of life, health, and public safety; (2) improvements to the City's existing infrastructure; and (3) construction of new infrastructure to keep up with the community's growth.

The 2006-2011 capital improvements program identifies a variety of projects for completion during the next six-year program. The plan includes a new mid-field terminal at the Springfield-Branson National Airport; numerous street, storm sewer, and sanitary sewer improvements; and development of public parks and special facilities. During the fiscal year, significant capital improvements were completed at Oscar Blom Golf Course while the Springfield-Greene County Park Board continued development of the City's linear parks and other park projects. The City also continued making improvements to streets and the storm sewer system, completing 11 street projects, one storm sewer, and four sanitary sewers.

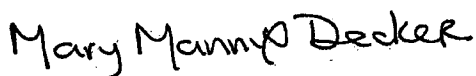
***Cash management policies and practices***—The City Council has adopted an investment policy. The objectives of the policy are safety, liquidity, and yield. Investments are undertaken to insure the preservation of capital in the overall portfolio and to minimize credit risk and interest rate risk. To maximize investment earnings, the City consolidates cash balances of all funds except restricted funds and the police/fire pension fund. The weighted average maturity of the investment portfolio is slightly over one year.

***Risk management***—The City maintains a variety of general liability insurance policies, some of which are self-insured by the City. As a matter of policy, the boards of directors for the Airport, Parks Department, Art Museum, and Missouri Career Center have required general liability coverage specific to their needs, and thus, the City has transferred these areas of risk to external insurance companies. To minimize risk of loss, the City employs a safety coordinator and a safety committee, which is made up of representatives from each of the operating departments. Risk issues are addressed in a proactive manner by providing specific training, which will minimize or prevent risk exposure.

#### **Awards and Acknowledgements**

Our appreciation is extended to the various elected officials, agency, and department directors, as well as employees, responsible for contributing to the sound financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of several members of the Finance Department. In particular, we would like to express appreciation to David Holtmann, Accounting Manager, and Financial Analysts, Glenda Hudson and Martha Mundt, for their unfailing efforts in production of this report.

Sincerely,

A handwritten signature in dark ink that reads "Mary Mannix-Decker". The signature is written in a cursive, flowing style.

Mary Mannix-Decker  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Furge*

President

*Jeffrey R. Enen*

Executive Director

## **FINANCIAL SECTION**



KPMG LLP  
Suite 1000  
1000 Walnut Street  
Kansas City, MO 64106-2162

## Independent Auditors' Report

The Honorable Mayor and Members  
of the City Council  
City of Springfield, Missouri:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Missouri (the City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust fund. The pension trust fund represents 48% and 13%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the pension trust fund were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Missouri as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 1c to the financial statements, the net assets of the governmental activities as of June 30, 2005 have been restated.

In accordance with *Government Auditing Standards*, we have also issued a report, dated November 14, 2006, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison schedules, notes to budgetary comparison schedules, schedule of funding progress, and actuarial methods and assumptions on pages 9 through 15 and 72 through 75, respectively, are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Missouri's basic financial statements. The supplemental information statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

Kansas City, Missouri  
November 14, 2006



## CITY OF SPRINGFIELD, MISSOURI

### Management's Discussion and Analysis (Unaudited)

June 30, 2006

As management of the City of Springfield, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Springfield, Missouri (the City) for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements and footnotes, which follow this section.

#### ***Financial Highlights***

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$605 million (net assets). Of this amount, \$135.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased approximately \$103 million. Net of the \$73.9 million restatement for the City's remaining infrastructure, \$22.3 million was from the City's "governmental activities," and the balance was from the "business-type activities."
- The City's total debt decreased approximately \$4.5 million during the current fiscal year. The City issued general obligation bonds totaling \$4.0 million, capital project revenue bonds totaling \$8.5 million, and sanitary sewerage notes payable of \$10.4 million. These increases in debt were offset by current year payments.

#### ***Overview of the Financial Statements***

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

***Government-wide financial statements.*** The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net assets* presents all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Net assets are an important measure of the City's overall financial health. The increases and decreases in net assets can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public works, public safety, parks and recreation, public health, and planning and development. The business-type activities for the City include the airport, sanitary sewerage system, refuse disposal, and golf.

## CITY OF SPRINGFIELD, MISSOURI

### Management's Discussion and Analysis (Unaudited)

June 30, 2006

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its service center, print shop, and self-insurance (health and workers' compensation insurance) activities. Because these services predominately benefit governmental rather than business-type functions, they have been primarily included within the *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information. The combining statements for the nonmajor funds and internal service funds are presented immediately following the required supplementary information on pensions.

### **Government-wide Financial Analysis**

Net assets may serve as a useful indicator of the City's financial position. As of June 30, 2006, assets exceeded liabilities by \$605 million. The largest portion of the City's net assets, \$392 million (65%), reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**CITY OF SPRINGFIELD, MISSOURI**  
Management's Discussion and Analysis (Unaudited)  
June 30, 2006

**NET ASSETS**

The following table reflects the condensed schedule of net assets as of June 30, 2006 and 2005 (in thousands):

<b>City of Springfield Net Assets</b>						
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Current and other assets	\$ 173,907	170,634	111,892	119,885	285,799	290,519
Capital assets	319,025	228,621	350,553	332,967	669,578	561,588
Total assets	492,932	399,255	462,445	452,852	955,377	852,107
Long-term debt outstanding	188,315	189,345	137,899	136,257	326,214	325,602
Other liabilities	16,177	17,736	8,077	6,781	24,254	24,517
Total liabilities	204,492	207,081	145,976	143,038	350,468	350,119
Net assets:						
Invested in capital assets, net of related debt	164,639	86,132	227,394	210,991	392,033	297,123
Restricted	17,041	1,952	60,566	68,225	77,607	70,177
Unrestricted	106,760	104,090	28,509	30,598	135,269	134,688
Total net assets	\$ 288,440	192,174	316,469	309,814	604,909	501,988

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net assets increased to \$605 million from \$502 million as a result of the increase in net assets reflected in the next table and the impact of the City having completed implementation of GASB Statement No. 34 in regard to the retroactive reporting of the City's major infrastructure assets. The beginning net assets balance for governmental activities was restated a total of \$73.9 million (net increase to beginning balance).

The largest portion of the City's net assets, \$392 million (65%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net assets, \$77.6 million (13%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, \$135.3 million (22%), represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF SPRINGFIELD, MISSOURI**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2006**

***Change in Net Assets***

The following table reflects the revenues and expenses from the City's activities (in thousands):

**City of Springfield Changes in Net Assets**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Revenues:						
Program revenues:						
Charges for services	\$ 16,849	8,650	39,321	37,735	56,170	46,385
Operating grants and contributions	18,430	19,727	5	76	18,435	19,803
Capital grants and contributions	352	3,434	7,706	16,359	8,058	19,793
General revenues:						
Property taxes	18,465	18,897	-	-	18,465	18,897
Sales and use taxes	86,382	81,612	-	-	86,382	81,612
Other revenues	35,635	32,877	5,362	6,509	40,997	39,386
Total revenues	176,113	165,197	52,394	60,679	228,507	225,876
Expenses:						
Public works	37,050	24,009	-	-	37,050	24,009
Public safety	52,176	55,761	-	-	52,176	55,761
Parks and recreation	27,533	23,095	-	-	27,533	23,095
Planning and development	8,416	7,416	-	-	8,416	7,416
Public health	8,166	7,989	-	-	8,166	7,989
General government	11,552	19,811	-	-	11,552	19,811
Interest on long-term debt	9,938	9,398	-	-	9,938	9,398
Airport	-	-	14,452	13,729	14,452	13,729
Sanitary sewerage system	-	-	23,172	22,731	23,172	22,731
Refuse disposal	-	-	3,922	4,099	3,922	4,099
Golf	-	-	3,149	3,134	3,149	3,134
Total expenses	154,831	147,479	44,695	43,693	199,526	191,172
Increase in net assets before transfers	21,282	17,718	7,699	16,986	28,981	34,704
Transfers	1,044	1,056	(1,044)	(1,056)	-	-
Increase in net assets	22,326	18,774	6,655	15,930	28,981	34,704
Net assets, beginning restated	266,114	173,400	309,814	293,884	575,928	467,284
Net assets, ending	\$ 288,440	192,174	316,469	309,814	604,909	501,988

***Governmental Activities***

Governmental activities increased the City's net assets by \$22.3 million. Sales and use tax revenues, the largest governmental category, were \$86.3 million, or 49%. Revenues from governmental activities total \$176 million, or 77%, of the total City revenues. City revenues grew \$10.9 million within the governmental activities as compared to prior year.

# CITY OF SPRINGFIELD, MISSOURI

## Management's Discussion and Analysis (Unaudited)

June 30, 2006

Certain revenues are generated that are specific to governmental program activity. These totaled \$35.6 million. The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2006 and 2005 (in thousands):

### Net Cost of City of Springfield's Governmental Activities

	Total cost of service		Net cost of service	
	2006	2005	2006	2005
Public works	\$ 37,050	24,009	35,696	20,193
Public safety	52,176	55,761	47,317	50,702
Parks and recreation	27,533	23,095	22,635	18,366
Planning and development	8,416	7,416	3,931	2,273
Public health	8,166	7,989	3,530	2,805
General government	11,552	19,811	(3,847)	11,932
Interest on long-term debt	9,938	9,398	9,938	9,398
	<u>\$ 154,831</u>	<u>147,479</u>	<u>119,200</u>	<u>115,669</u>

As previously noted, expenses from governmental activities total \$154.8 million. However, net costs of these services were \$119.2 million. The difference represents direct revenues received from charges for services of \$16.8 million, operating grants and contributions of \$18.4 million, and capital grants and contributions of \$352 thousand. Taxes and other revenues of \$140.5 million were collected to cover these net costs.

### Business-type Activities

Business-type activities increased the City's net assets by \$6.6 million. Key elements of this increase are as follows:

- The airport recorded an increase of \$2.1 million in net assets for the year, which is attributed to federal grants received for capital improvement projects.
- The sewer system recorded an increase of \$5.4 million in net assets for the year, which is attributed to contributions and grants for capital improvement projects, as well as results from current year operations.

### Financial Analysis of the City's Funds

As of the end of the fiscal year, the City's governmental funds report a combined fund balance of \$110.6 million (a decrease of approximately 1.3%). The majority of the decrease is attributable to the planned capital outlay expended in the capital project funds. The fund balance of the General Fund increased \$3.4 million to \$12.6 million at the end of the fiscal year. The City met its budget policy by maintaining an operating reserve of the 8% – 10% requirement.

The net assets in the Community Development fund remained unchanged at \$4.5 million. Total revenue exceeded expenditures by approximately \$393,000. The fund transferred moneys totaling approximately \$387,000 to other funds in the current fiscal year.

## **CITY OF SPRINGFIELD, MISSOURI**

### **Management's Discussion and Analysis (Unaudited)**

June 30, 2006

The National Airport Fund's net assets increased \$2.1 million (2.4%) in the current year as a result of federal grants received for capital improvement projects.

The Sanitary Sewerage System Fund's net assets increased \$5.4 million (2.5%) in the current year due to contributions and grants for capital improvements.

The Refuse Disposal Fund's net assets decreased \$576,000 (7.1%) in the current year as a result of the increase in the required landfill closure/postclosure liability and the results of the current year operations.

#### ***General Fund Budgetary Highlights***

Differences between the original and the final amended budget can be summarized as follows:

- The original revenue budget of \$65.2 million was increased to \$68.6 million.
- The total original expenditure budget of \$63.1 million increased to \$65.1 million (an increase of \$2.0 million).

Actual revenues were \$5.2 million more than originally budgeted. Sales tax revenue exceeded the original estimate by \$1.6 million. Payments in lieu of taxes exceeded the original estimate by \$2.0 million.

Ending fund balance increased to \$12.6 million (\$4.6 million higher than originally budgeted).

#### ***Capital Asset and Debt Administration***

##### ***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2006 amounts to \$669 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collections systems, machinery and equipment, and infrastructure. During 2006, the City completed implementation of GASB Statement No. 34 in regard to the retroactive reporting of the City's major infrastructure assets. An increase to the beginning net assets balance for governmental activities totaling \$73.9 million resulted from the addition of capital assets totaling \$136.9 million less accumulated depreciation of \$63 million. Excluding the restatement, capital assets increased \$34 million during the period.

Major capital events during the current fiscal year included the following:

- Sanitary Sewer Collection improvements totaling \$22 million
- Continued progress in the storm sewer projects totaling over \$2.2 million
- Transportation projects totaling over \$8.2 million
- Parks projects totaling \$7.0 million

# CITY OF SPRINGFIELD, MISSOURI

## Management's Discussion and Analysis (Unaudited)

June 30, 2006

### City of Springfield Capital Assets (amounts expressed in thousands, net of accumulated depreciation)

		Governmental activities		Business-type activities		Total	
		2006	2005	2006	2005	2006	2005
Land	\$	47,141	40,936	16,103	16,088	63,244	57,024
Construction in progress		23,051	51,796	28,884	46,611	51,935	98,407
Buildings		68,505	45,130	38,505	40,891	107,010	86,021
Improvements		24,669	14,817	63,842	68,197	88,511	83,014
Machinery and equipment		8,950	7,707	5,898	5,840	14,848	13,547
Infrastructure/sewer collection system		146,709	68,235	197,321	155,340	344,030	223,575
Total	\$	<u>319,025</u>	<u>228,621</u>	<u>350,553</u>	<u>332,967</u>	<u>669,578</u>	<u>561,588</u>

For additional information on capital assets, see note 2(c) in the notes to financial statements.

### **Debt Administration**

The City, at the end of fiscal 2006, had a total of \$294.2 million of outstanding long-term debt. This was a decrease of \$4.5 million from the previous year. The City issued approximately \$12.5 million governmental activity bonds related to various capital projects.

### City of Springfield Outstanding Debt (amounts expressed in thousands)

		Governmental activities		Business-type activities		Total	
		2006	2005	2006	2005	2006	2005
General obligation bonds**	\$	169,697	170,152	—	—	169,697	170,152
Revenue bonds		—	—	75,963	83,943	75,963	83,943
Notes payable		—	3,912	47,689	39,527	47,689	43,439
Capital lease obligations		857	1,156	—	—	857	1,156
Total	\$	<u>170,554</u>	<u>175,220</u>	<u>123,652</u>	<u>123,470</u>	<u>294,206</u>	<u>298,690</u>

\*\*including Public Building Corporation bonds and certificates of participation.

For additional information on debt administration, see note 2(d) in the notes to financial statements.

### **Requests for Information**

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to David Holtmann, Accounting Manager, Finance Department, City of Springfield, PO Box 8368, 840 Boonville Avenue, Springfield, MO 65801.

# CITY OF SPRINGFIELD, MISSOURI

## Statement of Net Assets

June 30, 2006

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	City Utilities
Cash and investments	\$ 90,223,466	37,748,456	127,971,922	102,128,000
Property taxes receivable, net	15,183,128	—	15,183,128	—
Special assessments receivable	4,631,221	—	4,631,221	—
Accounts receivable	8,147,550	4,092,886	12,240,436	25,715,000
Unbilled revenue	—	907,986	907,986	11,500,000
Accrued interest receivable	762,894	291,852	1,054,746	—
Inventories	1,298,435	1,720,427	3,018,862	31,541,000
Notes and loans receivable, net	27,417,605	—	27,417,605	—
Prepaid pension assets	—	55,772	55,772	10,294,000
Internal balances	772,016	(772,016)	—	—
Due from other government agencies	6,551,925	—	6,551,925	—
Restricted assets:				
Cash and cash equivalents	16,106,631	65,266,864	81,373,495	29,046,000
Other	—	1,790,049	1,790,049	—
Other	2,812,304	790,117	3,602,421	11,048,000
Capital assets:				
Nondepreciable	70,191,746	44,986,958	115,178,704	62,635,000
Depreciable, net	248,833,088	305,565,724	554,398,812	641,557,000
Total assets	492,932,009	462,445,075	955,377,084	925,464,000
<b>Liabilities</b>				
Accounts payable and other current liabilities	8,150,787	1,436,950	9,587,737	14,991,000
Unearned revenue	3,670,567	149,674	3,820,241	—
Estimated liability for incurred but unreported claims	4,083,000	—	4,083,000	—
Other liabilities	—	—	—	16,343,000
Due to other governments	272,607	—	272,607	910,000
Utility customer deposits	—	—	—	2,948,000
Current liabilities payable from restricted assets	—	6,491,130	6,491,130	—
Long-term liabilities:				
Due within one year	14,460,060	6,684,445	21,144,505	8,135,000
Due in more than one year	173,854,679	131,214,293	305,068,972	114,807,000
Total liabilities	204,491,700	145,976,492	350,468,192	158,134,000
<b>Net Assets</b>				
Invested in capital assets, net of related debt	164,639,133	227,393,436	392,032,569	603,155,000
Restricted for:				
Debt service	16,106,631	60,565,783	76,672,414	29,046,000
Perpetual care – nonexpendable	964,003	—	964,003	—
Unrestricted	106,730,542	28,509,364	135,239,906	135,129,000
Total net assets	\$ 288,440,309	316,468,583	604,908,892	767,330,000

See accompanying notes to financial statements.



**CITY OF SPRINGFIELD, MISSOURI**

Statement of Activities

Year ended June 30, 2006

Functions/Programs	Net revenue (expense) and changes in net assets				
	Primary government				Component unit
	Expenses	Charges for services	Program revenues Operating grants and contributions	Capital grants and contributions	
<b>Primary government:</b>					
Governmental activities:					
Public works	\$ 37,050,496	277,280	900,000	177,078	—
Public safety	52,175,803	3,983,268	822,042	53,341	—
Parks and recreation	27,533,355	3,976,469	800,005	121,839	—
Planning and development	8,415,927	—	4,484,820	—	—
Public health	8,166,374	933,014	3,703,322	—	—
General government	11,551,473	7,678,909	7,719,915	—	—
Interest on long-term debt	9,937,801	—	—	—	—
<b>Total governmental activities</b>	<b>154,831,229</b>	<b>16,848,940</b>	<b>18,430,104</b>	<b>352,258</b>	<b>—</b>
<b>Business-type activities:</b>					
Airport	14,451,683	12,654,174	—	2,186,280	—
Sanitary sewerage system	23,172,598	20,555,838	—	5,481,444	—
Refuse disposal	3,921,758	3,077,639	5,107	30,000	—
Golf	3,149,073	3,033,107	—	8,660	—
<b>Total business-type activities</b>	<b>44,695,112</b>	<b>39,320,758</b>	<b>5,107</b>	<b>7,706,384</b>	<b>—</b>
<b>Total primary government</b>	<b>\$ 199,526,341</b>	<b>\$ 56,169,698</b>	<b>\$ 18,435,211</b>	<b>\$ 8,058,642</b>	<b>\$ —</b>
<b>Component unit:</b>					
City Utilities	\$ 332,129,000	344,416,000	—	—	12,287,000
<b>General revenues:</b>					
Property taxes					
Sales and use taxes					
Franchise taxes					
Room taxes					
Payment in lieu of taxes					
Revenues from use of money and property					
Other revenue					
Transfers					
<b>Total general revenues and transfers</b>					
Change in net assets					
Net assets—beginning, as restated for retroactive reporting of infrastructure assets					
Net assets—ending					

See accompanying notes to financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Governmental Funds Balance Sheet

June 30, 2006

Assets	General	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 7,815,948	1,570,825	80,636,224	90,022,997
Property taxes receivable (net uncollectible amounts)	—	—	15,183,128	15,183,128
Special assessments receivable	—	—	4,631,221	4,631,221
Restricted cash and cash equivalents	—	—	16,106,631	16,106,631
Accrued interest receivable	141,775	10,572	581,405	733,752
Accounts receivable and unbilled revenue	4,472,146	—	3,675,404	8,147,550
Inventories	6,648	—	970,770	977,418
Notes and loans receivable, net	—	27,417,605	—	27,417,605
Due from other funds	4,390,464	—	30,000	4,420,464
Due from other governments	—	586,642	5,965,283	6,551,925
<b>Total assets</b>	<b>\$ 16,826,981</b>	<b>29,585,644</b>	<b>127,780,066</b>	<b>174,192,691</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 561,645	177,020	5,795,345	6,534,010
Unearned revenue	3,664,700	24,843,214	24,657,965	53,165,879
Due to other governments	—	—	272,607	272,607
Due to other funds	—	—	3,590,861	3,590,861
<b>Total liabilities</b>	<b>4,226,345</b>	<b>25,020,234</b>	<b>34,316,778</b>	<b>63,563,357</b>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	1,252,700	595,683	14,578,644	16,427,027
Debt service	—	—	16,106,631	16,106,631
Perpetual care	—	—	964,003	964,003
Unreserved:				
Designated for operating reserve	9,106,709	—	—	9,106,709
Designated for capital projects	2,241,227	—	—	2,241,227
Undesignated	—	3,969,727	—	3,969,727
<b>Unreserved, reported in nonmajor funds:</b>				
Special revenue funds	—	—	12,561,316	12,561,316
Debt service funds	—	—	17,424,713	17,424,713
Capital projects funds	—	—	31,756,019	31,756,019
Permanent funds	—	—	71,962	71,962
<b>Total fund balances</b>	<b>12,600,636</b>	<b>4,565,410</b>	<b>93,463,288</b>	<b>110,629,334</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,826,981</b>	<b>29,585,644</b>	<b>127,780,066</b>	<b>174,192,691</b>

See accompanying notes to financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2006

Fund balances—total governmental funds		\$ 110,629,334
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 457,082,916	
Less accumulated depreciation	<u>(138,696,564)</u>	
		318,386,352
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		(1,312,301)
Adjustment of deferred revenue		49,495,312
Internal service funds are used by management to charge the costs of certain activities to individual funds. Certain assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets		(3,436,567)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds, net of unamortized premiums/discounts		(188,134,125)
Unamortized issuance costs on bonds		<u>2,812,304</u>
Net assets of governmental activities		<u>\$ 288,440,309</u>

See accompanying notes to financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2006

	<u>General</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
Property	\$ —	—	16,872,108	16,872,108
Sales	42,533,965	—	41,253,828	83,787,793
Franchise	3,190,339	—	—	3,190,339
Room	—	—	3,215,623	3,215,623
Licenses and permits	3,421,680	—	—	3,421,680
Intergovernmental	3,499,882	3,594,023	11,688,457	18,782,362
Charges for services	3,157,028	—	6,013,003	9,170,031
Fines and forfeitures	1,925,595	—	—	1,925,595
Special assessments	—	—	2,331,634	2,331,634
Revenues from use of money and property	582,847	46,298	2,959,907	3,589,052
Payments in lieu of taxes	12,071,385	—	—	12,071,385
Other	23,650	2,940,465	7,173,914	10,138,029
Total revenues	<u>70,406,371</u>	<u>6,580,786</u>	<u>91,508,474</u>	<u>168,495,631</u>
Expenditures:				
Current:				
Public works	8,160,607	—	13,390,037	21,550,644
Public safety	39,728,124	—	8,328,528	48,056,652
Parks and recreation	—	—	15,123,942	15,123,942
Planning and development	1,135,503	6,187,508	449,175	7,772,186
Public health	—	—	7,985,907	7,985,907
General government	13,223,524	—	5,580,197	18,803,721
Debt service:				
Principal	—	—	16,631,779	16,631,779
Interest and other charges	—	—	10,100,744	10,100,744
Capital outlay:				
Public works	204,534	—	18,454,653	18,659,187
Public safety	581,704	—	1,917,493	2,499,197
Parks and recreation	—	—	15,482,394	15,482,394
Planning and development	—	—	596,313	596,313
General government	76,685	—	150,596	227,281
Total expenditures	<u>63,110,681</u>	<u>6,187,508</u>	<u>114,191,758</u>	<u>183,489,947</u>
Excess (deficiency) of revenues over expenditures	<u>7,295,690</u>	<u>393,278</u>	<u>(22,683,284)</u>	<u>(14,994,316)</u>
Other financing sources (uses):				
Issuance of debt	—	—	12,505,000	12,505,000
Bond premium (discount)	—	—	(81,154)	(81,154)
Transfers in	1,974,790	—	19,725,542	21,700,332
Transfers out	(5,899,919)	(387,463)	(14,368,680)	(20,656,062)
Total other financing sources and (uses)	<u>(3,925,129)</u>	<u>(387,463)</u>	<u>17,780,708</u>	<u>13,468,116</u>
Net change in fund balances	3,370,561	5,815	(4,902,576)	(1,526,200)
Fund balances—beginning	9,230,075	4,559,595	98,365,864	112,155,534
Fund balances—ending	<u>\$ 12,600,636</u>	<u>4,565,410</u>	<u>93,463,288</u>	<u>110,629,334</u>

See accompanying notes to financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2006

Net change in fund balances—total governmental funds		\$ (1,526,200)
Amounts reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (in excess of the capitalization threshold) is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	\$ 34,200,560	
Depreciation	<u>(17,345,451)</u>	
		16,855,109
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net assets		(333,405)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		7,617,805
The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Bond and capital lease proceeds	(12,505,000)	
Repayment of principal (bonds and capitalized lease obligations)	16,930,776	
Premiums paid, net of amortization	241,311	
Issuance cost amortization, net	5,010	
Loss on refundings, net	(142,411)	
Interest	<u>140,187</u>	
		4,669,873
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		(3,501,702)
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities		<u>(1,455,003)</u>
Change in net assets of governmental activities		\$ <u><u>22,326,477</u></u>

See accompanying notes to financial statements.

**CITY OF SPRINGFIELD, MISSOURI**

Proprietary Funds Statement of Net Assets

June 30, 2006

Assets	Enterprise Funds					Internal Service Funds
	National Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
<b>\$</b>						
Current assets:						
Cash and cash equivalents	6,034,732	23,424,709	8,267,318	21,697	37,748,456	200,469
Accrued interest receivable	42,984	180,045	68,289	534	291,852	29,142
Accounts receivable	1,270,456	1,555,703	1,266,727	—	4,092,886	—
Unbilled revenue	—	907,986	—	—	907,986	—
Inventories	283,655	1,175,331	124,374	137,067	1,720,427	321,017
Unamortized bond issue costs	—	790,117	—	—	790,117	—
Prepaid expenses	55,772	—	—	—	55,772	—
Restricted assets:						
Cash and cash equivalents	6,835,056	17,358,075	—	—	24,193,131	—
Other	858,935	931,114	—	—	1,790,049	—
<b>Total current assets</b>	<b>15,381,590</b>	<b>46,323,080</b>	<b>9,726,708</b>	<b>159,298</b>	<b>71,590,676</b>	<b>550,628</b>
Restricted assets:						
Cash and cash equivalents	2,926,493	38,147,240	—	—	41,073,733	—
Other	—	—	—	—	—	—
<b>Total restricted assets</b>	<b>2,926,493</b>	<b>38,147,240</b>	<b>—</b>	<b>—</b>	<b>41,073,733</b>	<b>—</b>
Capital assets:						
Land and easements	8,776,710	4,645,812	2,299,419	380,661	16,102,602	23,614
Buildings	27,676,410	62,298,653	1,241,581	658,484	91,875,128	1,058,097
Collection system	—	278,788,923	—	—	278,788,923	—
Improvements other than buildings	80,889,962	8,005,519	10,903,536	8,205,911	108,004,928	314,086
Machinery and equipment	7,806,412	5,568,619	5,749,836	1,020,050	20,144,917	285,597
<b>Less accumulated depreciation</b>	<b>125,149,494</b>	<b>359,307,526</b>	<b>20,194,372</b>	<b>10,265,106</b>	<b>514,916,498</b>	<b>1,681,394</b>
	<b>(50,387,763)</b>	<b>(128,014,554)</b>	<b>(10,228,624)</b>	<b>(4,617,231)</b>	<b>(193,248,172)</b>	<b>(1,042,912)</b>
<b>Construction in progress</b>	<b>74,761,731</b>	<b>231,292,972</b>	<b>9,965,748</b>	<b>5,647,875</b>	<b>321,668,326</b>	<b>638,482</b>
	<b>8,641,811</b>	<b>18,686,832</b>	<b>1,555,713</b>	<b>—</b>	<b>28,884,356</b>	<b>—</b>
<b>Total capital assets, net</b>	<b>83,403,542</b>	<b>249,979,804</b>	<b>11,521,461</b>	<b>5,647,875</b>	<b>350,552,682</b>	<b>638,482</b>
<b>Total assets</b>	<b>101,711,625</b>	<b>334,450,124</b>	<b>21,248,169</b>	<b>5,807,173</b>	<b>463,217,091</b>	<b>1,189,110</b>

# CITY OF SPRINGFIELD, MISSOURI

## Proprietary Funds Statement of Net Assets

June 30, 2006

	Enterprise Funds					Internal Service Funds
	National Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	\$ 292,720	598,469	228,795	98,410	1,218,394	304,476
Retainages payable	—	76,160	115,931	—	192,091	—
Accrued compensated absences	68,358	95,029	23,736	14,016	201,139	34,417
Due to other funds	—	—	—	490,000	490,000	339,603
Accrued interest payable	—	—	—	26,465	26,465	—
Deferred revenue	149,674	—	—	—	149,674	—
Estimated liability for incurred but unreported claims	—	—	—	—	—	4,083,000
Current maturities of long-term debt	445,000	5,607,358	—	430,948	6,483,306	—
Payables from restricted assets	1,026,776	5,464,354	—	—	6,491,130	—
Total current liabilities	1,982,528	11,841,370	368,462	1,059,839	15,252,199	4,761,496
Long-term liabilities, less current maturities:						
Revenue bonds payable, net	—	70,160,987	—	1,186,079	71,347,066	—
Notes and capitalized lease obligations payable	9,730,000	35,598,874	—	—	45,328,874	—
Accrued landfill closure/postclosure care costs	—	—	13,161,087	—	13,161,087	—
Accrued compensated absences	394,622	668,662	279,305	34,677	1,377,266	146,197
Total long-term debt	10,124,622	106,428,523	13,440,392	1,220,756	131,214,293	146,197
Total liabilities	12,107,150	118,269,893	13,808,854	2,280,595	146,466,492	4,907,693
<b>Net Assets</b>						
Net assets:						
Investment in capital assets, net of related debt	73,228,542	138,612,585	11,521,461	4,030,848	227,393,436	623,407
Restricted for debt service	9,593,708	50,972,075	—	—	60,565,783	—
Unrestricted	6,782,225	26,595,571	(4,082,146)	(504,270)	28,791,380	(4,341,990)
Total net assets	\$ 89,604,475	216,180,231	7,439,315	3,526,578	316,750,599	(3,718,583)
Some of the amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities					(282,016)	
Net assets of business-type activities					\$ 316,468,583	

See accompanying notes to financial statements.

**CITY OF SPRINGFIELD, MISSOURI**  
**Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
Year ended June 30, 2006

	Enterprise Funds					Internal Service Funds
	National Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
Operating revenues:						
Sewer service charges	\$ —	20,302,464	—	—	20,302,464	—
Sewer connection charges	—	3,374	—	—	3,374	—
Sale of fuel and oil	4,287,443	—	—	—	4,287,443	—
Flight fees, airport facility rental, and other charges	8,304,337	—	—	—	8,304,337	—
Golf course fees	—	—	—	3,033,107	3,033,107	—
Landfill charges	—	—	2,808,238	—	2,808,238	—
Yardwaste recycling sales	—	—	269,401	—	269,401	—
Billings to departments	—	—	—	—	—	4,568,805
Contributions—City and employee	—	—	—	—	—	9,956,485
Other	62,394	250,000	—	—	312,394	22,986
Total operating revenues	12,654,174	20,555,838	3,077,639	3,033,107	39,320,758	14,548,276
Operating expenses:						
Personnel services	4,130,542	4,614,150	1,647,653	1,384,096	11,776,441	1,465,238
Other services	1,580,598	4,776,379	920,588	549,117	7,826,682	12,759,939
Supplies	2,591,190	1,219,088	396,195	572,784	4,779,257	1,863,035
Other expenses	—	—	—	—	—	23,424
Depreciation and amortization	5,318,427	8,025,096	921,740	517,893	14,783,156	75,674
Total operating expenses	13,620,757	18,634,713	3,886,176	3,023,890	39,165,536	16,187,310
Operating income (loss)	(966,583)	1,921,125	(808,537)	9,217	155,222	(1,639,034)
Nonoperating revenues (expenses):						
Interest revenue	600,320	3,290,293	279,486	5,619	4,175,718	—
Interest on long-term debt	(644,090)	(4,057,238)	—	(103,651)	(4,804,979)	—
Administrative fees and other debt charges	(158,217)	(424,061)	—	(67)	(582,345)	—
Gain (loss) from disposal of capital assets	—	35,878	3,590	(6,055)	33,413	—
Claims and settlements	(4,366)	—	—	—	(4,366)	—
Passenger facility charge revenue	1,210,758	—	—	—	1,210,758	—
Other nonoperating income (expense)	—	1,411	(21,006)	(4,737)	(24,332)	12,732
Net nonoperating revenues (expenses)	1,004,405	(1,153,717)	262,070	(108,891)	3,867	12,732
Income (loss) before contributions and transfers	37,822	767,408	(546,467)	(99,674)	159,089	(1,626,302)
Contributions and grants	2,186,280	5,481,444	35,107	8,660	7,711,491	—
Transfers out	(100,000)	(879,041)	(65,229)	—	(1,044,270)	—
Change in net assets	2,124,102	5,369,811	(576,589)	(91,014)	6,826,310	(1,626,302)
Net assets, beginning of year	87,480,373	210,810,420	8,015,904	3,617,592	309,924,289	(2,092,281)
Net assets, end of year	\$ 89,604,475	216,180,231	7,439,315	3,526,578	316,750,599	(3,718,583)
Some of the amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities					(171,299)	
Change in net assets of business-type activities					\$ 6,655,011	

See accompanying notes to financial statements.



## CITY OF SPRINGFIELD, MISSOURI

## Proprietary Funds Statement of Cash Flows

Year ended June 30, 2006

	Enterprise Funds					Internal Service Funds
	National Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 12,435,891	20,529,930	2,022,135	3,062,249	38,050,205	14,548,276
Cash paid to suppliers	(4,493,854)	(6,320,049)	86,236	(1,286,069)	(12,013,736)	(13,895,861)
Cash paid to employees	(4,067,355)	(4,661,710)	(1,626,059)	(1,386,626)	(11,741,750)	(1,472,164)
Net cash provided by (used in) operating activities	3,874,682	9,548,171	482,312	389,554	14,294,719	(819,749)
Cash flows from noncapital financing activities:						
Transfers in	—	—	—	—	—	309,603
Transfers out	(100,000)	(879,041)	(65,229)	—	(1,044,270)	(30,000)
Net cash provided by (used in) noncapital financing	(100,000)	(879,041)	(65,229)	—	(1,044,270)	279,603
Cash flows from capital and related financing activities:						
Principal payments on long-term debt	(4,504,793)	(5,048,671)	—	(406,156)	(9,959,620)	—
Proceeds from issuance of long-term debt	—	10,441,086	—	—	10,441,086	—
Interest paid on long-term debt obligations	(644,090)	(4,190,578)	—	(121,743)	(4,956,411)	—
Additions to capital assets	(4,405,885)	(26,230,055)	(1,576,617)	(156,673)	(32,369,230)	(18,090)
Decrease (increase) in other restricted assets	(99,853)	348,205	—	—	248,352	—
Increase in payables from restricted assets	467,799	894,843	—	—	1,362,642	—
Capital contributions	2,186,280	5,481,444	35,107	8,660	7,711,491	—
Passenger facility charges received	1,210,758	—	—	—	1,210,758	—
Proceeds from sale of capital assets	—	35,878	3,590	(6,055)	33,413	—
Net cash used in capital and related financing activities	(5,789,784)	(18,267,848)	(1,537,920)	(681,967)	(26,277,519)	(18,090)
Cash flows from investing activities:						
Interest received	590,270	3,291,359	280,138	14,607	4,176,374	8,576
Net cash provided by investing activities	590,270	3,291,359	280,138	14,607	4,176,374	8,576
Net decrease in cash and cash equivalents	(1,424,832)	(6,307,359)	(840,699)	(277,806)	(8,850,696)	(549,660)
Cash and cash equivalents, beginning of year	17,221,113	85,237,383	9,108,017	299,503	111,866,016	750,129
Cash and cash equivalents, end of year	\$ 15,796,281	78,930,024	8,267,318	21,697	103,015,320	200,469
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (966,583)	1,921,125	(808,537)	9,217	155,222	(1,639,034)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	5,318,427	8,025,096	921,740	517,893	14,783,156	75,674
Other nonoperating expenses	(162,583)	(422,650)	(21,006)	(4,804)	(611,043)	—
Decrease (increase) in:						
Inventories	(24,976)	46,712	(16,348)	(17,325)	(11,937)	(36,660)
Accounts receivable	(235,611)	(12,042)	(1,055,504)	29,142	(1,274,015)	—
Unbilled revenue	—	(13,866)	—	—	(13,866)	—
Prepaid expenses	(2,183)	—	—	—	(2,183)	—
Increase (decrease) in:						
Accounts payable	(132,324)	(22,804)	79,779	(146,843)	(222,192)	21,197
Retainage payable	—	74,160	82,543	—	156,703	—
Deferred revenues	17,328	—	—	—	17,328	—
Due to other funds	—	—	—	(10,000)	(10,000)	—
Accrued landfill closure/postclosure care costs	—	—	1,278,051	—	1,278,051	—
Estimated liability for incurred but unreported claims	—	—	—	—	—	766,000
Accrued compensated absences	63,187	(47,560)	21,594	12,274	49,495	(6,926)
Total adjustments	4,841,265	7,627,046	1,290,849	380,337	14,139,497	819,285
Net cash provided by (used in) operating activities	\$ 3,874,682	9,548,171	482,312	389,554	14,294,719	(819,749)

See accompanying notes to financial statements.

**CITY OF SPRINGFIELD, MISSOURI**  
**Fiduciary Funds Statement of Fiduciary Net Assets**  
June 30, 2006

<b>Assets</b>	<b>Pension Trust</b>	<b>Agency Funds</b>
Cash and short-term investments	\$ 3,905,054	3,483,617
Investments, at fair value:		
U.S. government securities	19,573,980	—
Corporate and foreign bonds	41,513,908	—
Corporate and foreign stocks	63,198,174	—
Accounts receivable	—	124,950
Accrued interest receivable	911,414	4,880
Total assets	<u>129,102,530</u>	<u>3,613,447</u>
<b>Liabilities</b>		
Accounts payable	9,152	3,061,761
Escrows payable	—	523,204
Municipal court bond deposits	—	28,482
Total liabilities	<u>9,152</u>	<u>3,613,447</u>
<b>Net Assets</b>		
Held in trust for pension benefits	<u>\$ 129,093,378</u>	<u>—</u>

See accompanying notes to financial statements.

**CITY OF SPRINGFIELD, MISSOURI**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year ended June 30, 2006**

	<u><b>Pension Trust</b></u>
Additions:	
Contributions:	
Employer	\$ 6,831,133
Plan members	<u>2,906,968</u>
Total contributions	<u>9,738,101</u>
Investment earnings:	
Interest and dividends	10,060,078
Net decrease in the fair value of investments	<u>(2,516,720)</u>
Total investment earnings	7,543,358
Less investment expense	<u>(812,452)</u>
Net investment earnings	<u>6,730,906</u>
Total additions	<u>16,469,007</u>
Deductions:	
Benefits	12,441,445
Refunds of contributions	1,622,625
Administrative expenses	<u>153,893</u>
Total deductions	<u>14,217,963</u>
Change in net assets	2,251,044
Net assets—beginning	<u>126,842,334</u>
Net assets—ending	<u><u>\$ 129,093,378</u></u>

See accompanying notes to financial statements.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

#### (1) Summary of Significant Accounting Policies

##### (a) Reporting Entity

The City of Springfield, Missouri (the City) operates under the Council-Manager form of government with the council consisting of the Mayor and eight council members who are elected on a nonpartisan basis. The City provides a variety of general government services to residents including law enforcement, fire protection, community development, recreation, and various social services. Additionally, the City has several business-type operations that offer services associated with the national airport, sanitary sewerage system, refuse disposal facilities, and municipal golf courses.

The financial reporting entity consists of the primary government and its component units, entities for which the government is considered financially accountable. The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity; (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the entity's fiscal dependency on the primary government. Two types of component units are included within the government-wide financial statements:

**Blended Component Unit**—The following legally separate entity is a component unit that is, in substance, a part of the City's general operations. This component unit provides services entirely, or almost entirely, to the primary government or provides services that exclusively, or almost exclusively, benefit the primary government. Data from this unit is combined with data of the primary government for financial reporting purposes.

*The Public Building Corporation of the City of Springfield, Missouri (PBC)*—The PBC, a not-for-profit corporation, was incorporated under the laws of the State of Missouri on October 2, 1989. The PBC was established to promote, acquire, develop, construct, and own facilities within the City that are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural, and commercial growth and for the general benefit of the City and its residents.

The board of directors of the PBC consists of nine persons appointed by the Mayor with the advice and consent of the City Council. Financial information for the PBC has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the PBC is reported as if it were part of the primary government because its sole purpose is to finance the construction of various capital projects within the City. No separately issued financial statements are prepared for the PBC.

**Discretely Presented Component Unit**—The discretely presented component unit is presented separately in the government-wide financial statements to emphasize that it is legally separate from the primary government.

*City Utilities of Springfield, Missouri (City Utilities)*—City Utilities is a municipally owned utility controlled by the Board of Public Utilities, which is appointed by the City Council in accordance with the City Charter.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

The City Council approves the rates for user charges, the annual budget plan, and bond issuance authorizations. Financial information for City Utilities is as of and for the year ended September 30, 2005. City Utilities elected to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 for their proprietary operations, unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance or pronouncements. City Utilities is comprised of the Public Utility (including the Electric, Gas, Transportation, and Telecommunications departments) and the Water Utility, which are controlled by the Board of Public Utilities.

As required in Section 16.11 of the City Charter, the City Utilities component unit follows, in all significant respects, accounting policies and procedures established for investor-owned gas and electric utilities by the Federal Energy Regulatory Commission (FERC) and for investor-owned water utilities by the National Association of Regulatory Utility Commissioners. The City utilities financial statements are reported using the economic resource measurement focus and the accrual basis of accounting.

Complete financial statements for the City Utilities are available from their general offices:

City Utilities of Springfield, Missouri  
301 East Central  
P. O. Box 551  
Springfield, Missouri 65801-0551

No other entities met the criteria for inclusion as component units of the City.

**Joint Venture**—Both the City and the City Utilities component unit (along with other participants) participate in a joint venture. The City's cumulative investment in the joint venture has been included in the capital assets of the governmental activities, while City Utilities' equity interest in the joint venture is reported within its discrete component unit presentation.

#### **(b) Government-Wide and Fund Financial Statements**

The financial statements include both the government-wide (the statement of net assets and the statement of activities) and fund financial statements.

**Government-Wide Financial Statements**—The government-wide statements display information about the primary government and its component unit, except for fiduciary activities. For the most part, the interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide statement of net assets, both the governmental and business-type activities are each consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables, as well as long-term debt and obligations, and it provides valuable information for greater analysis and comparability.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements***—Separate fund financial statements report information on the City's governmental, proprietary, and fiduciary funds, though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension costs, are recorded only when payment is due. Conversely, the proprietary and fiduciary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balance identifying categories that required conversion from the fund statements.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Operating activities of the proprietary funds include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. More specifically, operating revenues consist of sales and charges for service. Operating expenses of the proprietary funds include personnel services, operating supplies, and services incurred in conducting daily business.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

The City reports the following major governmental funds:

**General Fund**—This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Community Development**—This fund accounts for grants received from the Department of Housing and Urban Development (HUD) along with various revolving loans. The purpose of this fund is to improve neighborhoods in low to moderate income areas.

The City reports the following major proprietary funds:

**National Airport**—This fund accounts for all operations and developmental improvements relating to the Springfield-Branson National Airport and the Ozark Airport site.

**Sanitary Sewerage System**—This fund accounts for the maintenance activities of the existing collection system and capital improvements pertaining to the Southwest Treatment Plant, Northwest Treatment Plant, lift stations, and phosphorus treatment facilities.

**Refuse Disposal**—This fund reports the activities and capital improvements for the Landfill, the Recycling Centers, and the Yardwaste Recycling Center.

The City reports the following fund types:

**Internal Service Funds**—These funds account for the costs of the Service Center Garage, the Print Shop, and the Self-Insurance Funds on a cost-reimbursement basis.

**Pension Trust Funds**—These funds account for moneys held in trust by the City for pension benefits.

**Agency Funds**—These funds account for moneys held on behalf of the Cooper Tennis Trust, Municipal Court Bond, and the Revolving Payroll Fund.

The City applies all applicable pronouncements of the FASB issued on or before November 30, 1989 in accounting and reporting for both the government-wide and proprietary fund financial statements, unless these pronouncements conflict with applicable GASB guidance as prescribed by GASB Statement No. 20. No pronouncements of the FASB issue after November 30, 1989 have been adopted.

#### (c) *Assets, Liabilities, and Net Assets or Equity*

##### a. **Deposits and Investments**

The City's investment policies are governed by the City Charter and management policies. City moneys are deposited in FDIC-insured banks located within the state. The City is authorized to use demand and time deposits. Permissible investments include obligations of the U.S. government, State of Missouri, City of Springfield, bonds, bills, or notes guaranteed by the U.S., state, or city governments; certificates of deposit; repurchase agreements; banker's acceptances; and commercial paper. The City purchases investments from

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

SEC-registered broker-dealers and banks. The City's investments are stated at fair value, which is determined by quoted market prices.

Collateral is pledged to secure the City's demand deposits and certificates of deposit. In accordance with the City Charter, collateral pledged must have a market value of at least 102% of deposits not covered by federal deposit insurance and may consist of the same type of obligations in which the City may invest. Obligations pledged to secure deposits are delivered to the bank's joint custody account at the Federal Reserve Bank. Written custodial agreements are required that provide, among other things, that collateral be held separately from the assets of the custodial bank. At least quarterly, the City determines that the fair value of collateral pledged is adequate to cover deposits.

The City also maintains The Policemen and Firemen's Retirement Fund (the Pension Trust Fund), which is managed by a board of trustees. The Pension Trust Fund's investing activities are governed by the same state laws applicable to life insurance or casualty companies. The plan agreement specifies that no more than 35% of the Pension Trust Fund's assets may be invested in common stocks, with no more than 2% invested in the common stock of any one corporation nor more than 5% in small capital stocks. Investments are reported at fair value.

The City Utilities component unit also maintains cash and investment securities, which are carried at fair value plus accrued interest. Bond ordinances permit investments only in direct obligations of the U.S. government, such as bills, notes or bonds, and any other obligations guaranteed as to payment of principal and interest by the U.S. government or any agency or instrumentality thereof. City Utilities is also authorized to invest in repurchase agreements, for which the underlying securities must be U.S. Treasury notes, bonds, or bills. City Utilities' investment portfolio includes securities that are either insured or registered, or for which the securities are held by City Utilities' agents in City Utilities' name.

#### **b. Receivables and Payables**

Activity between funds that are representative of borrowing/lending arrangements outstanding at the end of the fiscal year are referred to as either "due to /due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts.

Property taxes are finalized and levied by September 1 and become delinquent after December 31 each year. The City contracts with Greene County (the County) to have its taxes billed, collected, and remitted each year. A lien attaches to all property on January 1 for which taxes are unpaid. The City pays the County 2% of collections plus \$10,000 per year as a fee for this service.

The City is permitted by state statute to levy taxes up to \$1 per \$100 of assessed valuation for general government services. Specific amounts beyond the \$1 may be voted upon by the public to support certain types of operations. The City also has the authority to levy taxes, without limit, to pay the annual principal and interest on general long-term debt as required.



## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

The tax levy, per \$100 assessed valuation, for the City during the fiscal year was as follows:

Parks department	\$	0.1830
Health department		0.1248
Art museum		0.0383
Debt service		0.2625
Total tax levy	\$	<u>0.6086</u>

Special assessments of \$21,340,555 have been issued since 1980 (\$3,911,139 issued during the year ended June 30, 2006), and collections have totaled 77.75%, or \$16,591,267. Special assessments receivable of \$4,631,221 include delinquent accounts of \$26,254.

#### c. Inventories and Prepaid Items

Inventories are stated at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Materials, supplies inventories, and gas stored underground for the City component unit are stated at the lower of average cost or market. Coal inventory is stated at cost using the last-in, first-out (LIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### d. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

#### e. Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB Statement No. 34, infrastructure assets, such as streets, intersections, and storm sewers, completed in the current year have been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Infrastructure assets not completed by year-end have been reported as construction in progress. During 2006, the City

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

completed implementation of GASB Statement No. 34 in regard to the retroactive reporting of the City's major infrastructure assets not reported prior to June 30, 2002. As a result, beginning net assets for governmental activities have been restated as follows:

Net assets—beginning, as previously reported	\$ 192,174,398
Adjustment for infrastructure	<u>73,939,434</u>
Net assets—ending, as restated	<u>\$ 266,113,832</u>

Included in the adjustment for infrastructure are costs totaling \$136,936,502 less accumulated depreciation totaling \$62,997,068.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. Costs for the City Utilities component unit's utility plant additions include the cost of material, labor, vehicle and equipment usage, related overhead items, capitalized interest, and administrative and general expenses.

Property, plant, equipment, and infrastructure is depreciated using the straight-line method over the following estimated lives:

	<u>Years</u>
Primary government:	
Buildings	40
Improvements other than buildings	20
Sewer plant and collection system	40
Machinery and equipment	3 to 10
Infrastructure	20
City Utilities component unit:	
Electric utility plant	33
Gas utility plant	33
Transportation plant and equipment	15
Water utility plant	50
Common plant and equipment	27

### f. **Compensated Absences**

All vested or accumulated vacation, scheduled holiday leave, and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## **CITY OF SPRINGFIELD, MISSOURI**

### **Notes to Financial Statements**

June 30, 2006

**g. Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statements of net assets as liabilities in the applicable governmental and business-type categories. Bond premiums and discounts, as well as issuance costs and amounts deferred on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges (other assets) and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**h. Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designation of fund balances represents tentative plans for future use of financial resources that are subject to change.

**i. Unbilled Revenue**

Both the City's sanitary sewerage system and the City Utilities component unit bill their customers on a cyclical basis and, therefore, record estimated unbilled revenues at year-end less allowance for uncollectible accounts.

**j. Electric Fuel and Purchased Gas Adjustments—City Utilities Component Unit**

General Ordinance No. 3243 requires City Utilities to adjust monthly customers' electric and gas bills to compensate for changes in the cost of electric fuel, purchased power, and purchased gas. An under-recovery of \$7,890,000 for electric fuel and an over-recovery of \$2,007,000 for purchased gas adjustment clauses were recorded at September 30, 2005.

**k. Capitalization of Interest**

Net interest costs related to acquisition or construction is capitalized as part of the cost of the related asset for the business-type and proprietary activities of the City and City Utilities component unit. Total interest costs incurred by the City were \$13,006,401, of which \$954,675 was capitalized. Total interest costs incurred by the City Utilities component unit were \$4,622,000, of which \$191,000 was capitalized.

**l. Designated Improvement Account Investments—City Utilities Component Unit**

City Ordinance Nos. 18672 and 18673, which established electric and gas rates effective September 20, 1979, and City Ordinance No. 3258, which established electric rates effective

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

February 24, 1982, provided that a portion of revenues generated by such rate increases be segregated and utilized for certain specified capital projects and to develop a desired level of working capital. The rates established in City Ordinance No. 3258 were extended by City Ordinance No. 3508 to March 31, 1991. City Ordinance No. 3978, dated December 19, 1988, incorporates these rates into the base rates effective April 1, 1991. Funds accumulated are available to cover operating expenses, principal and interest payments, and other requirements as established by the Public Utility Revenue Bonds, Refunding Series of 1977.

Under certain prior financing agreements, the City Utilities was required to maintain funds in the designated improvement account equal to the sum of outstanding principal or the scheduled subsequent years' principal and interest payments as specified under the agreements. New rates enacted by City Ordinance No. 4125, dated June 4, 1990, establish electric, gas, and water revenue adjustment schedules. The revenues generated will contribute to the funding of major capital projects relating to Clean Air Act Amendments of 1990 requirements and natural gas transmission and supply.

Other designated funds include funds set aside for self-insurance reserves and major project funding for long-range plans. A summary of the designated improvement account, which consists of U.S. government obligations, is as follows:

	<b>September 30, 2005</b>
Funds restricted under City ordinance due to rate increases	\$ 8,506,000
Other designated funds:	
Reserve funds	45,462,000
Funds held for future improvements	24,729,000
Total	<u>\$ 78,697,000</u>

#### **m. Interfund and Related-Party Transactions**

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government. Certain transactions between City Utilities and the City are also treated in this manner. The operations of City Utilities for the year ended September 30, 2005 reflect payments in lieu of taxes to the City of \$12,071,385.

In addition, City Utilities also provides services such as energy for street lighting and other electric, gas, and water services without charge to the City. The cost of providing such services was approximately \$8,188,000 for the year ended September 30, 2005.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

#### n. Net Assets

In the government-wide and proprietary fund financial statements, net assets are displayed in three components as follows:

**Invested in Capital Assets, Net of Related Debt**—This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted**—This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted**—This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

#### o. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

### (2) Detailed Notes on all Funds

#### (a) Deposits

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, repurchase agreements, and other investments with maturities of primarily less than one year. At June 30, 2006, the bank balance of the City's deposits was \$3,958,821, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name. A difference exists between bank and book balances of \$2,053,080 due to deposits in transit and other reconciling items.

#### (b) Investments

Statutes authorize the City to invest in investments that are:

- a. Obligations of the United States government, the State of Missouri, this city;
- b. In bonds, bills, notes, debentures, or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri, or this city;
- c. In revenue bonds of the City;
- d. In certificates of deposit; savings accounts as defined in Chapter 369, Revised Missouri Statutes; or in interest-bearing time deposits when such funds are held in United States banks;

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

state banks; savings and loan associations operating under Chapter 369, Revised Missouri Statutes; or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest-bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b), or (c) of this section;

- e. Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency;
- f. Commercial paper issued by domestic corporations that has received the highest rating issued by a nationally recognized rating agency; or
- g. Investments permitted by the City Council that are authorized in the model investment policy prepared by the State of Missouri for political subdivisions.

As of June 30, 2006, the City holds the following investments:

Investment type	Fair value	Investment maturities			
		Less than			More than
		6 months	6 - 12 months	12 - 24 months	24 months
U.S. Treasury securities	\$ 62,173,640	19,848,505	37,272,307	2,301,601	2,751,227
Strip—TRSY sec	12,461	—	—	—	12,461
U.S. agency:					
FFCB	972,190	—	—	—	972,190
FHLB	11,901,096	11,901,096	—	—	—
FHLMC	15,193,176	2,962,517	5,000,120	5,000,000	2,230,539
FHLMCRB	16,410,211	9,693,750	6,716,461	—	—
FHMA	24,040,020	8,681,075	7,918,700	5,960,400	1,479,845
Collateralized deposits:					
AIG Matched Funding	1,937,500	—	—	—	1,937,500
AIG Mat Fund Corp Inv. Ag.	10,157,591	—	—	—	10,157,591
AIG MFC I/C	30,833	—	—	—	30,833
AIG MFC Res I/A	606,900	—	—	—	606,900
AIGFMC	2,512,500	—	—	—	2,512,500
AIG-MR LLC Repo	1,019,195	—	—	—	1,019,195
CDC Funding Corp	30,158,325	—	—	—	30,158,325
Citigroup Global Mkt. Const. F	7,592,980	—	—	—	7,592,980
Commerce Bank Repo	5,025,284	5,025,284	—	—	—
Trinity Plus Funding	65,683	—	—	—	65,683
Westdeutsche Landsbank	809,493	—	—	—	809,493
Societe Generale Repo	4,915,430	417,335	—	—	4,498,095
Columbia Treasury Fund	639,814	639,814	—	—	—
Fidelity Treas. Fund	9,752,132	9,752,132	—	—	—
Financial Square Trst. Treas.	4,996,839	4,996,839	—	—	—
Total	\$ 210,923,293	73,918,347	56,907,588	13,262,001	66,835,357

### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities shall be perfected in the name or for the account of the City and shall be held by a third-party custodian as evidenced by safekeeping receipts. At June 30, 2006, \$38 million of underlying securities were held by the investments' counterparty, not in the name of the City.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of increase in interest rates. The City will minimize the risk that the market value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term fixed income securities.

#### **Credit Risk**

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill their obligation. The City will minimize credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and by diversifying the portfolio so that potential losses on individual fixed income securities will be minimized. As of June 30, 2006, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

<u>Investment type</u>	<u>Rating</u>
U.S. agency securities	AAA
Collateralized deposits	Aa2 or Higher

#### **Police Officers' and Fire Fighters' Retirement Fund**

##### ***Cash and Investments***

The board of trustees of the Police Officers' and Fire Fighters' Retirement Fund (Retirement Fund or the Plan) may invest and reinvest the moneys of the Retirement Fund, and may hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in which such moneys shall be invested, as well as the proceeds of such investment and such moneys. Such investment and reinvestment shall be subject to all the terms, conditions, limitation, and restrictions imposed by law upon life insurance or casualty companies in the state in making and disposing of their investments.

The percentage limitations of RSMo. 376.305.2 shall not apply provided that moneys, not to exceed 60% of the funds of the Retirement Fund, at book or market value, whichever is higher, may be invested in common stocks that are authorized investments of life insurance or casualty companies in the state and no more than 2% of the admitted assets of the Retirement Fund may be invested in the common stock of any one corporation, nor shall more than 10% of the total amount of common stocks be invested in small capital stocks. In addition, with respect to fixed income assets, not less than 30% of the portion of the admitted assets of the system so invested in such income assets shall be invested in obligations of the United States government, its agencies, departments, or instrumentalities, and such investments may be compounded and reinvested in such obligations of

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

the United States government, its department, agencies, or instrumentalities, without limitation as to any maximum percentage of fund assets. The Director of Finance shall approve such investments and shall assist the board of trustees in developing an investment plan.

At June 30, 2006, the bank balances of the Retirement Fund's deposits totaled \$3,905,054. Of this amount, \$100,000 was covered by FDIC insurance and \$3,805,054 was supported by collateral held by banks in the plan's name that do not hold the collateralized deposit.

The Plan's investment policies are governed by the City Charter and management policies. Permissible investments include obligations of the U.S. government, State of Missouri, or City of Springfield; bonds, bills, or notes guaranteed by the U.S., state, or city governments; certificates of deposit; repurchase agreements; bankers' acceptances; and commercial paper. The Plan purchases investments from SEC-registered broker-dealers and banks. Plan investments also include investments in external investment pools and mutual funds that cannot be categorized because the entity is not issued securities but rather is a registered shareholder.

The Plan's investments at June 30, 2006 mature as follows:

Investment type	Fair value	Investment maturities			More than 10 years
		1 year	Less than 5 years	10 years	
U.S. Treasury securities	\$ 19,573,980	913,368	5,257,061	9,278,533	4,125,018
Domestic:					
Corporate debt obligations	41,224,960	6,430,767	15,765,628	11,244,952	7,783,613
Corporate equity securities	58,149,137	58,149,137	—	—	—
Foreign:					
Corporate debt obligations	288,948	—	—	288,948	—
Corporate equity securities	5,049,037	5,049,037	—	—	—
Total	\$ 124,286,062	70,542,309	21,022,689	20,812,433	11,908,631

**Interest Rate Risk**—Interest rate risk is the risk the fair value of the Plan's investments will decrease as a result of increase in interest rates. As a means of limiting its exposure to interest rate risk, the plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The plan coordinates its investment maturities to match cash flow needs closely.

**Credit Risk**—Credit risk is the risk that the Plan will not recover its investments due to the ability of the counterparty to fulfill their obligation. The plan policy limits investments to those authorized by state statutes for purchase by life insurance or casualty companies in the state so that no more than 2% of the admitted assets of the system may be invested in the common stock of any one corporation. The plan also limits the amount available for investment in small capital stocks. In addition, the plan mandates that no less than 30% of the admitted assets of the system be invested in direct obligations of the United States government.



# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Investment type	Rating	Percentage
Domestic:		
Corporate debt obligations	BBB or higher	26%
Corporate equity securities	N/A	45%
Foreign:		
Corporate debt obligations	BBB or higher	<1%
Corporate equity securities	N/A	4%

All investments shown in the preceding schedule have a rating as shown or higher for each given category. The plan avoids a concentration of credit risk by diversifying its investments by security type and institution. In addition, as of June 30, 2006, the plan had not invested over 5% of its assets in any one entity.

**Foreign Currency risk**—This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. All foreign debt obligations and equity securities held are denominated in U.S. dollars. The City did not have a policy in regards to foreign currency risk for the year ended June 30, 2006.

The Plan's exposure to foreign currency risk in U.S. dollars as of June 30, 2006 is highlighted in the table below:

Currency	Equities	Debt	Total
Euro	\$ 1,595,753	—	1,595,753
Bermuda dollar	1,775,212	—	1,775,212
American Depositary Receipts	847,545	—	847,545
Cayman dollar	391,672	—	391,672
Mexican Peso	42,443	184,790	227,233
Canadian dollar	137,489	48,186	185,675
Balboa	135,800	—	135,800
Yuan	123,123	—	123,123
Venezuela	—	55,972	55,972
	<u>\$ 5,049,037</u>	<u>288,948</u>	<u>5,337,985</u>

### City Utilities Component Unit

City Utilities maintains cash and investment securities. The Public Utility and Water Utility bond ordinances permit investments only in direct obligations of the U.S. government such as bills, notes, or bonds and any other obligations guaranteed as to payment of principal and interest by the U.S. government or any agency or instrumentality thereof. City Utilities is also authorized to invest in repurchase agreements for which the underlying securities must be U.S. Treasury notes, bonds, or bills. Funds in the form of cash on deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held by the City Utilities' agents in the City Utilities' name.

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

City Utilities' investment portfolio includes securities that are either insured or registered, or for which the securities are held by the City Utilities' agents in City Utilities' name.

**Interest Rate Risk**—Interest rate risk is the risk that the fair value of City Utilities' investments will decrease as a result of increases in interest rates. As a means of limiting its exposure to interest rate risk, City Utilities' investment policy prohibits investments that are highly sensitive to interest rate changes. As of September 30, 2005, City Utilities investment portfolio matures as follows (in thousands):

	Fair value	Investment maturities (in years)			
		Less than 1	2 – 3	4 – 5	More than 5
U.S. government	\$ 12,951	—	4,061	—	8,890
U.S. government agencies	81,748	2,259	13,876	15,253	50,360
Mortgage-backed securities	27,677	6,431	7,828	4,517	8,901
Accrued interest	1,035	1,035	—	—	—
Total investments	123,411	9,725	25,765	19,770	68,151
Cash	7,763	7,763	—	—	—
Total cash and investments	\$ 131,174	17,488	25,765	19,770	68,151

**Credit Risk**—Credit risk is the risk that City Utilities' will not recover its investment due to the ability of the counterparty to fulfill their obligations. As a means of limiting credit risk, City Utilities' investment policy prohibits investments not directly guaranteed by the United States government or any agency thereof. As of September 30, 2005, City Utilities' investments in U.S. government agencies and mortgage-backed securities were all rated AAA by Standard & Poor's.

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of City Utilities' investment in a single issuer. As a means of limiting concentration of credit risk, City Utilities' investment policy prohibits concentration of more than 40% in any one non-U.S. government security. More than 5% of City Utilities' investments are in Government National Mortgage Association mortgage-backed securities, Federal National Mortgage Association notes, Federal Home Loan Mortgage Corporation notes and mortgage-backed securities, and Federal Home Loan Bank notes. These investments are 20%, 23%, 34%, and 12%, respectively, of City Utilities' total investments.

### Escrow for Bonded Indebtedness—City Utilities Component Unit

In accordance with City ordinances, City Utilities' maintained \$29,046,000 in escrow for bonded indebtedness at September 30, 2005.

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

**(c) Capital Assets**

Capital asset activity for the year ended June 30, 2006 was as follows:

**Governmental Activities**

	Balance June 30, 2005 (as restated)	Additions	Deductions	Balance June 30, 2006
Nondepreciable capital assets:				
Land	\$ 40,935,596	6,306,268	(101,001)	47,140,863
Construction in progress	51,796,586	28,249,628	(56,995,331)	23,050,883
Total nondepreciable capital assets	<u>92,732,182</u>	<u>34,555,896</u>	<u>(57,096,332)</u>	<u>70,191,746</u>
Depreciable capital assets:				
Buildings	55,046,959	25,887,482	(9,000)	80,925,441
Improvement other than buildings	27,116,347	15,209,530	(210,926)	42,114,951
Machinery and equipment	31,538,550	4,760,384	(1,109,057)	35,189,877
Infrastructure	219,449,579	10,892,716	—	230,342,295
Total depreciable capital assets	<u>333,151,435</u>	<u>56,750,112</u>	<u>(1,328,983)</u>	<u>388,572,564</u>
Less accumulated depreciation:				
Buildings	(9,917,448)	(2,508,518)	5,400	(12,420,566)
Improvement other than buildings	(12,299,510)	(5,179,332)	32,941	(17,445,901)
Machinery and equipment	(23,830,759)	(3,375,289)	966,210	(26,239,838)
Infrastructure	(77,275,186)	(6,357,985)	—	(83,633,171)
Total accumulated depreciation	<u>(123,322,903)</u>	<u>(17,421,124)</u>	<u>1,004,551</u>	<u>(139,739,476)</u>
Total depreciable capital assets, net	<u>209,828,532</u>	<u>39,328,988</u>	<u>(324,432)</u>	<u>248,833,088</u>
Total governmental activities capital assets	<u>\$ 302,560,714</u>	<u>73,884,884</u>	<u>(57,420,764)</u>	<u>319,024,834</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Depreciation expense was charged to functions as follows:

General government	\$ 1,257,984
Public safety	2,399,566
Public works	11,457,944
Parks and recreation	2,063,185
Planning and development	40,435
Public health	126,337
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>75,673</u>
Total depreciation expense—governmental activities	<u>\$ 17,421,124</u>

### Business-Type Activities

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
Nondepreciable capital assets:				
Land	\$ 16,088,266	14,996	(660)	16,102,602
Construction in progress	<u>46,610,697</u>	<u>28,234,813</u>	<u>(45,961,154)</u>	<u>28,884,356</u>
Total nondepreciable capital assets	<u>62,698,963</u>	<u>28,249,809</u>	<u>(45,961,814)</u>	<u>44,986,958</u>
Depreciable capital assets:				
Buildings	91,480,958	394,170	—	91,875,128
Sewer collection system	231,106,057	47,682,866	—	278,788,923
Improvement other than buildings	107,504,221	518,096	(17,389)	108,004,928
Machinery and equipment	<u>19,042,276</u>	<u>1,505,533</u>	<u>(402,892)</u>	<u>20,144,917</u>
Total depreciable capital assets	<u>449,133,512</u>	<u>50,100,665</u>	<u>(420,281)</u>	<u>498,813,896</u>
Less accumulated depreciation:				
Buildings	(50,589,548)	(2,781,285)	—	(53,370,833)
Sewer collection system	(75,766,929)	(5,700,839)	—	(81,467,768)
Improvements other than buildings	(39,306,829)	(4,860,006)	4,014	(44,162,821)
Machinery and equipment	<u>(13,202,561)</u>	<u>(1,441,026)</u>	<u>396,837</u>	<u>(14,246,750)</u>
Total accumulated depreciation	<u>(178,865,867)</u>	<u>(14,783,156)</u>	<u>400,851</u>	<u>(193,248,172)</u>
Total depreciable capital assets, net	<u>270,267,645</u>	<u>35,317,509</u>	<u>(19,430)</u>	<u>305,565,724</u>
Total business-type capital assets	<u>\$ 332,966,608</u>	<u>63,567,318</u>	<u>(45,981,244)</u>	<u>350,552,682</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Depreciation expense was charged to functions as follows:

National airport	\$ 5,318,427
Sanitary sewerage system	8,025,096
Refuse disposal	921,740
Nonmajor enterprise funds	<u>517,893</u>
Total depreciation expense—business-type activities	<u>\$ 14,783,156</u>

### Component Unit – City Utilities

	<u>September 30, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ adjustments</u>	<u>September 30, 2005</u>
Public Utility:					
Nondepreciable assets:					
Land	\$ 25,301,000	14,000	—	—	25,315,000
Construction work in progress	17,987,000	33,387,000	—	(28,000,000)	23,374,000
Depreciable assets:					
Electric	639,338,000	21,833,000	(5,227,000)	374,000	656,318,000
Natural gas	139,934,000	4,083,000	(639,000)	(120,000)	143,258,000
Transportation	3,150,000	12,000	(79,000)	(21,000)	3,062,000
Customer service	11,964,000	328,000	—	391,000	12,683,000
Telecommunication	37,228,000	2,270,000	(75,000)	(9,000)	39,414,000
Common	<u>51,955,000</u>	<u>1,015,000</u>	<u>(3,048,000)</u>	<u>(533,000)</u>	<u>49,389,000</u>
Total capital assets	926,857,000	62,942,000	(9,068,000)	(27,918,000)	952,813,000
Less accumulated depreciation	<u>(387,038,000)</u>	<u>(28,433,000)</u>	<u>6,639,000</u>	<u>(3,891,000)</u>	<u>(412,723,000)</u>
Net capital assets	<u>\$ 539,819,000</u>	<u>34,509,000</u>	<u>(2,429,000)</u>	<u>(31,809,000)</u>	<u>540,090,000</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

	September 30, 2004	Increases	Decreases	Transfers/ adjustments	September 30, 2005
Water Utility:					
Nondepreciable assets:					
Land	\$ 11,341,000	—	—	—	11,341,000
Construction work in progress	2,263,000	5,769,000	—	(5,427,000)	2,605,000
Depreciable assets:					
Source of supply	46,435,000	1,108,000	(12,000)	7,000	47,538,000
Pumping	10,919,000	52,000	(6,000)	—	10,965,000
Water treatment	17,202,000	206,000	(15,000)	—	17,393,000
Water transmission and distribution	117,171,000	4,104,000	(156,000)	—	121,119,000
General	5,548,000	84,000	(267,000)	(89,000)	5,276,000
Total capital assets	210,879,000	11,323,000	(456,000)	(5,509,000)	216,237,000
Less accumulated depreciation	(48,624,000)	(4,664,000)	329,000	824,000	(52,135,000)
Net capital assets	\$ 162,255,000	6,659,000	(127,000)	(4,685,000)	164,102,000
Total:					
Nondepreciable assets	\$ 56,892,000	39,170,000	—	(33,427,000)	62,635,000
Depreciable assets	1,080,844,000	35,095,000	(9,524,000)	—	1,106,415,000
Total capital assets	1,137,736,000	74,265,000	(9,524,000)	(33,427,000)	1,169,050,000
Less accumulated depreciation	(435,662,000)	(33,097,000)	6,968,000	(3,067,000)	(464,858,000)
Net capital assets	\$ 702,074,000	41,168,000	(2,556,000)	(36,494,000)	704,192,000

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

**(d) Long-term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2006:

Governmental activities	Beginning balance	Additions	Reductions	Ending balance	Amounts due within one year
Bonds	\$ 169,273,780	12,505,000	(12,719,503)	169,059,277	12,050,989
Plus bond premium	878,750	12,252	(253,563)	637,439	—
Less deferred amount on refunding	(2,239,357)	—	142,411	(2,096,946)	—
Total bonds payable	167,913,173	12,517,252	(12,830,655)	167,599,770	12,050,989
Notes payable	3,912,276	—	(3,912,276)	—	—
Capital lease obligations	1,155,965	—	(298,997)	856,968	309,153
Accrued claims and judgments	167,000	70,000	(145,000)	92,000	—
Police and fire net pension obligation	523,138	3,019,732	—	3,542,870	—
Accrued compensated absences	15,673,087	2,649,961	(2,099,917)	16,223,131	2,099,918
Total governmental activities long-term liabilities	<u>\$ 189,344,639</u>	<u>18,256,945</u>	<u>(19,286,845)</u>	<u>188,314,739</u>	<u>14,460,060</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

<u>Business-type activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
National airport fund:					
Revenue bonds	\$ 4,015,000	—	(4,015,000)	—	—
Less deferred amount on refunding	(76,033)	—	76,033	—	—
Total revenue bonds	3,938,967	—	(3,938,967)	—	—
Notes payable	10,775,000	—	(600,000)	10,175,000	445,000
Compensated absences	399,793	68,358	(5,171)	462,980	68,358
Total national airport fund	15,113,760	68,358	(4,544,138)	10,637,980	513,358
Sanitary sewerage system fund:					
Revenue bonds	74,780,785	—	(3,369,871)	71,410,914	3,692,058
Plus bond premium	2,738,934	—	(149,687)	2,589,247	—
Less deferred amount on refunding	(163,463)	—	16,347	(147,116)	—
Total revenue bonds	77,356,256	—	(3,503,211)	73,853,045	3,692,058
Notes payable	28,751,888	10,441,086	(1,678,800)	37,514,174	1,915,300
Compensated absences	811,251	95,029	(142,589)	763,691	95,029
Total sanitary sewerage system fund	106,919,395	10,536,115	(5,324,600)	112,130,910	5,702,387
Refuse disposal fund:					
Accrued landfill closure/ postclosure care costs	11,883,036	1,278,051	—	13,161,087	—
Compensated absences	281,447	23,736	(2,142)	303,041	23,736
Total refuse disposal fund	12,164,483	1,301,787	(2,142)	13,464,128	23,736
Nonmajor enterprise fund:					
Revenue bonds	2,407,902	—	(444,627)	1,963,275	430,948
Less deferred amount on refunding	(384,719)	—	38,471	(346,248)	—
Total revenue bonds	2,023,183	—	(406,156)	1,617,027	430,948
Compensated absences	36,419	14,016	(1,742)	48,693	14,016
Total nonmajor enterprise fund	2,059,602	14,016	(407,898)	1,665,720	444,964
Total business-type activities long-term liabilities	\$ 136,257,240	11,920,276	(10,278,778)	137,898,738	6,684,445

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end,



# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

\$180,614 of internal service funds for compensated absences is included in the above governmental activities amounts.

Debt service requirements on long-term debt at June 30, 2006 are as follows:

	<b>Governmental activities</b>			
	<b>Bonds</b>		<b>Notes payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2007	\$ 12,050,989	7,626,106	—	—
2008	8,561,089	7,192,014	—	—
2009	9,117,660	6,822,555	—	—
2010	9,982,803	6,433,796	—	—
2011	8,637,015	5,984,717	—	—
2012 – 2016	43,313,248	24,450,678	—	—
2017 – 2021	42,965,000	13,817,842	—	—
2022 – 2026	26,010,004	5,281,619	—	—
2027 – 2030	8,421,469	502,447	—	—
	<u>\$ 169,059,277</u>	<u>78,111,774</u>	<u>—</u>	<u>—</u>

	<b>Enterprise funds</b>			
	<b>National airport</b>			
	<b>Revenue bonds</b>		<b>Notes payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2007	\$ —	—	445,000	496,676
2008	—	—	395,000	478,876
2009	—	—	410,000	462,583
2010	—	—	430,000	445,157
2011	—	—	445,000	426,237
2012 – 2016	—	—	2,610,000	1,772,300
2017 – 2020	—	—	5,440,000	900,250
	<u>\$ —</u>	<u>—</u>	<u>10,175,000</u>	<u>4,982,079</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Sanitary sewerage system				
	Revenue bonds		Notes payable	
	Principal	Interest	Principal	Interest
2007	\$ 3,692,058	3,874,998	1,915,300	—
2008	4,125,993	3,646,940	2,176,900	—
2009	4,414,152	3,394,648	2,320,314	—
2010	4,668,053	3,116,908	2,413,100	—
2011	4,755,758	2,811,567	2,278,006	—
2012 – 2016	18,684,900	10,943,396	11,463,200	—
2017 – 2021	20,280,000	5,401,113	12,604,612	—
2022 – 2026	10,250,000	823,000	2,342,742	—
2027	540,000	11,475	—	—
	<u>\$ 71,410,914</u>	<u>34,024,045</u>	<u>37,514,174</u>	<u>—</u>

	Nonmajor funds	
	Revenue bonds	
	Principal	Interest
2007	\$ 430,948	79,396
2008	444,918	68,569
2009	391,188	50,761
2010	412,145	35,114
2011	51,227	14,507
2012 – 2016	232,849	30,334
2017 – 2021	—	—
2022 – 2025	—	—
	<u>\$ 1,963,275</u>	<u>278,681</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Bonds payable at June 30, 2006 are comprised of the following individual issues:

3.80% to 5.80% General Obligation Refunding Bonds, Series 1993, due through April 1, 2009, callable on or after April 1, 2001, through March 31, 2002, at par plus premium of 1% at par after April 1, 2002	\$ 555,000
3.70% to 5.35% Public Building Corporation of the City of Springfield, MO Leasehold Revenue Refunding Bonds, Series 1997 (Busch Building Project) due through December 1, 2010, callable on or after December 1, 2005, at premiums beginning at 101% of the principal amount decreasing to 100% on December 1, 2006	2,760,000
3.85% to 5.0% Public Building Corporation of the City of Springfield, MO Leasehold Revenue Bonds, Series 1998 (Civic Park Recreation Project) due through June 1, 2018, callable in inverse order of maturity on or after June 1, 2008, at premiums beginning at 102% of the principal amount decreasing ratably over the term of the bonds to 100% on June 1, 2012	7,670,000
5.3% to 5.85% Public Building Corporation of the City of Springfield, MO Leasehold Revenue Bonds, Series 2000A (Jordan Valley Park Projects) due through June 1, 2021, callable in inverse order of maturity on or after June 1, 2015, at 100% of the principal amount	5,901,467
5.0% to 5.5% City of Springfield, Missouri, Certificates of Participation Series 2000 ( City of Springfield, Missouri Law Enforcement Communication System Project) due through June 1, 2006, at 101% of the principal amount decreasing ratably over the term of the bonds to 100% on June 1, 2009	4,135,000
5.0% to 5.5% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds (Stormwater/Warning System/Firestation) due through June 1, 2019, callable in inverse order of maturity on or after June 1, 2009, at 101% of the principal amount decreasing ratably over the term of the bonds to 100% on June 2, 2011	14,375,000
4.1% to 4.3% General Obligation Stormwater Improvement Bonds, Series 2001A. Not subject to optional redemption, due through May 1, 2011	2,245,000
4.1% to 5.0% General Obligation Sewer Improvement Bonds Series 2001B callable in inverse order of maturity on or after May 1, 2011, at premiums beginning at 101% of the principal amount decreasing ratably over the term of the bonds to 100% on May 1, 2013	2,495,000
4.0% to 5.0% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2001A, (Capital Improvement LPT Projects) due through May 1, 2016, callable in inverse order of maturity on or after May 1, 2011, at 100% of the principal amount	6,070,000

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

4.0% to 5.5% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series May 1, 2021, callable in inverse order of maturity on or after May 1, 2016, at 100% of the principal amount	3,400,000
3.25% to 4.25% City of Springfield, Missouri, Certificates of Participation Series 2001, (Partnership Industrial Center West Project), due through September 1, 2011, callable in reverse order of maturity on or after September 1, 2007, at 100% of the principal amount	3,615,000
1.65% to 4.0% City of Springfield, Missouri, Certificates of Participation Series 2002 (ERP System Project). Not subject to optional redemption, due through February 1, 2009	1,535,000
1.6% to 4.75% City of Springfield, Missouri, Certificates of Participation (Springfield/Greene County Park Board Land Acquisition and Development Project), Series 2002, not subject to optional redemption, due through December 1, 2006	4,075,000
2.95% to 5.0% Springfield Center City Development Corporation Leasehold Revenue Bonds, Series 2002A, (Jordan Valley Park—Exposition Center Project), due through June 1, 2027, callable on or after June 1, 2012, at par	19,375,000
7.52% Springfield Center City Development Corporation Taxable Revenue Bonds, Series 2002B, (Jordan Valley Park—Baseball Stadium Project), due through June 1, 2028, callable in inverse order of maturity on or after December 1, 2017, at premiums beginning at 104% of the principal amount decreasing ratably over the term of the bonds to 100% on December 1, 2021	5,925,000
7.52% Springfield Center City Development Corporation Taxable Revenue Bonds, Series 2002C, (Jordan Valley Park Project), due through June 1, 2028, callable in inverse order of maturity on or after December 1, 2017, at premiums beginning at 104% of the principal amount decreasing ratably over the term of the bonds to 100% on December 1, 2021	5,210,000
3.15% to 4.3% Springfield Center City Development Corporation Leasehold Revenue Bonds, Series 2002D, (Jordan Valley Park—Parking Garage Project), due through November 1, 2028, callable on or after November 1, 2011, at par	8,190,000
3.15% to 4.7% Springfield Center City Development Corporation Taxable Revenue Bonds, Series 2002E, (Jordan Valley Park—Parking Garage Project), not subject to optional redemption, due through November 1, 2010	720,000
1.6% to 3.8% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2002, (Capital Improvement LPT Projects), due through June 1, 2017, callable on or after June 1, 2012, at par	6,545,000

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Variable Rate Land Clearance for Redevelopment Authority of the City of Springfield, Missouri, Taxable Variable Rate Demand Revenue Bonds, Series 2003, (University Plaza Hotel Redevelopment Project), due through October 1, 2020	7,835,000
Variable Rate Public Building Corporation of the City of Springfield, Missouri, Taxable Variable Rate Demand Revenue Bonds, Series 2003, (Jordan Valley Ice Park Refunding), due through June 1, 2025	10,185,000
3.0% to 5.0% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2004, (Capital Improvement Program), due through March 1, 2024, callable on or after March 1, 2014, at par	23,852,810
2.5% to 4.125% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2003, due through January 1, 2019, callable on or after January 1, 2013, at par	2,720,000
3.0% to 4.0% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2005, due through January 1, 2020, callable on or after January 1, 2014, at par	3,760,000
3.35% City of Springfield, Missouri, Lone Pine Greenspace Neighborhood Improvement District Bonds, Series 2003, due through March 1, 2024, callable in inverse order of maturity beginning March 1, 2005 at 100% of the principal amount	625,000
1.7% to 6.5% Land Clearance for Redevelopment Authority of the City of Springfield, Missouri, Taxable Revenue Bonds, Series 2004, (SBD Loan Pool Funding Program), due through October 1, 2022, callable on or after October 1, 2014, at par	3,085,000
3.0% to 4.0% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2005A, (LPT Capital Improvement Projects), due through May 1, 2020, callable on or after May 1, 2015, at par	5,525,000
3.0% to 4.375% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2005B, (Park Facilities Project) due through May 1, 2025, callable on or after May 1, 2015, at par	2,740,000
3.5% to 4.0% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2005B, due through March 1, 2020, callable after March 1, 2016, at par	3,935,000
Total general obligation bonds	<u>\$ 169,059,277</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Revenue bonds payable at June 30, 2006 are comprised of the following individual issues:

Sanitary sewerage system fund:

3.80% to 5.0% Public Building Corporation of the City of Springfield, MO Leasehold Revenue Bonds, Series 2004, (Sanitary Sewer Improvement Refunding) due through March 1, 2024, callable on or after March 1, 2014, at par	833,914
6.00% to 7.00% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program), Series 1990A, due through October 1, 2010	12,890,000
4.90% to 6.55% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Program—Multiple Participant Series), Series 1992A, due through July 1, 2014	5,490,000
5.25% to 7.20% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Program—Multiple Participant Series), Series 1994B, due through July 1, 2018	867,000
3.45% to 5.00% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund—Master Trust Series, 1998B, due through January 1, 2022	1,095,000
2.375% to 5.00% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund—Master Trust Series, 2002B, due through July 1, 2022	43,125,000
3.0% to 5.00% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund—Series, 2005A, due through July 1, 2026	7,110,000

Nonmajor enterprise fund:

3.80% to 5.0% Public Building Corporation of the City of Springfield, MO Leasehold Revenue Bonds, Series 2004, (Golf Course Improvements Refunding) due through March 1, 2024, callable on or after March 1, 2014, at par	<u>1,963,275</u>
Total revenue bonds payable	<u>\$ 73,374,189</u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Notes payable at June 30, 2006 consisted of the following obligations:

**National airport fund:**

4.25% to 4.5% Capital Project Finance Authority Fixed Rate Revenue bonds (Capital Projects Loan Program— AAAE Airport Projects) 2000 Series I (City of Springfield, Missouri Loan)	\$ 10,175,000
---	---------------

**Sanitary sewerage system fund:**

Noninterest-bearing State of Missouri Wastewater Revolving Fund Program intergovernmental notes	37,514,174
Total notes payable	<u>\$ 47,689,174</u>

### Capital Lease Obligations

The City has entered into various capital leases through September 1, 2009 to purchase police vehicles with Koch Financial Corporation with interest rates ranging from 3.01% to 3.61%. Capital assets under capital lease obligations were \$371,480 at June 30, 2006. The future minimum lease obligations and net present value of the minimum lease payments as of June 30, 2006 were as follows:

	<u>Governmental activities</u>
Year ending June 30:	
2007	\$ 335,343
2008	335,343
2009	157,660
2010	<u>78,830</u>
Total minimum lease payments	907,176
Less amounts representing interest	<u>(50,208)</u>
Present value of minimum lease payments	<u>\$ 856,968</u>

In addition to the above outstanding debt, \$17.9 million of bonds for the solid waste system and \$1,095,000 of bonds for the sanitary sewerage system have been approved by voters but not yet been issued.

Under current state statutes, the City's general obligation bonded debt issuances are subject to legal limitation based on total assessed value of real and personal property. General obligation debt issues are secured by the full faith and credit of the City. As of June 30, 2006, the City's net general obligation bonded debt of \$16,362,664 represents 2.5% of the legal debt limit of \$666,545,473.

## **CITY OF SPRINGFIELD, MISSOURI**

### **Notes to Financial Statements**

June 30, 2006

The PBC Leasehold Revenue Bonds (Busch Building Improvement Project and Civic Park Recreation Project) and the PBC Leasehold Improvement Revenue Bonds (Tennis Facility) are payable solely from lease payments made by the City to the PBC, pursuant to lease agreements executed at the time the bonds were issued. These issues were used to finance various capital projects within the City.

At June 30, 2006, a total of \$829,304 was available in the debt service funds for retirement of general obligation debt issues. The remainder of these obligations will be repaid from future property tax levies and other general revenue sources.

Principal and interest on the PBC Leasehold Revenue Refunding and Improvement Bonds, Series 1998 (Airport Project) are to be paid from the revenues of the national airport fund and are recorded therein. Principal and interest on the PBC Leasehold Improvement Revenue Bonds, Golf Course Improvements are to be paid from revenues of the golf fund and are recorded therein. Principal and interest on the PBC Leasehold Improvement Revenue Bonds, Sewer Improvements are to be paid from revenues of the sanitary sewer fund and are recorded therein. The PBC bonds are payable solely from lease payments made by the City to the PBC, pursuant to lease agreements executed at the time the bonds were issued.

The 1989 Series Sewer Improvement issue is payable, as to both principal and interest, first from interest-bearing special assessments levied and assessed against property benefited by sanitary sewer improvements financed with proceeds of the bonds and second from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. At June 30, 2006, \$4,927,785 was available in the debt service funds for retirement of these obligations.

LCRA industrial development revenue bonds of \$8,744,318 were outstanding at June 30, 2006. The debt service on this issue is paid solely from a third party through a lease agreement; therefore, the issue does not constitute a debt of the City and, accordingly, is not included in the City's statement of net assets.

#### **Debt Defeasance**

In prior years, the City's PBC issued bonds to defease the 1990 Airport Leasehold Revenue and Improvement Bonds, the 1990 Airport Certificates of Participation, the 1990 PBC Leasehold Revenue Bonds, a portion of 2000A PBC Leasehold Revenue Bonds, a portion of the 1992 PBC Leasehold Improvement Revenue Bonds (Tennis Facility), the 2000B PBC Leasehold Revenue Bonds, and the 1995 PBC Leasehold Improvement Revenue Bonds (golf, sewer, and parks component). The outstanding balances on the bonds and certificates of participation totaled \$21,959,500 as of June 30, 2006. Securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. Therefore, these issues are considered defeased, and the liability has been removed from long-term debt.



# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

### City Utilities Component Unit

The following is a summary of long-term obligations outstanding for the City Utilities component unit (in thousands):

	<b>Balance September 30, 2005</b>
Public Utility Revenue Bonds, Refunding Series of 2001; 3.5% to 5.0%; due March 1, 2002 to 2006	\$ 5,675
Public Utility obligation under the February 1, 2001 financing agreement; 3.75% to 4.85%; due January 1, 2002 to 2016	8,485
Public Utility obligation under the June 1, 2001 financing agreement; 4.4% to 5.0%; due December, 2001 to 2020	53,000
<b>Total Public Utility</b>	<b>67,160</b>
Waterworks Refunding and Improvement Revenue Bonds, Series of 2003; 2.00% to 5.00%; due May 1, 2018	32,130
<b>City Utilities component unit</b>	<b>99,290</b>
<b>Less current maturities</b>	<b>(8,135)</b>
<b>Total City Utilities component unit</b>	<b>\$ 91,155</b>

The Public Utility Revenue Bonds, Refunding Series 2001, are collateralized by the revenues of the Public Utility. The Public Utility obligations under the financing agreements and the master lease agreement are subordinated to the Public Utility Revenue Bonds as to revenues. The Waterworks Refunding and Improvement Revenue Bonds, Series 2003, are collateralized by the revenues of the Water Utility.

Long-term debt activity for the year ended September 30, 2005 was as follows (in thousands):

<b>City utilities</b>	<b>October 1, 2004 beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2005 ending balance</b>	<b>Amounts due within one year</b>
Revenue bonds	\$ 45,105	—	7,300	37,805	7,520
Unamortized debt premium, net of discount	2,075	—	328	1,747	—
Other obligations	62,075	—	590	61,485	615
Compensated absences	18,042	523	—	18,565	—
Other	2,100	1,240	—	3,340	—
	<b>\$ 129,397</b>	<b>1,763</b>	<b>8,218</b>	<b>122,942</b>	<b>8,135</b>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Assets financed by the financing agreements and the master lease agreement are pledged as collateral for those agreements. Scheduled principal and interest maturities during each of the five fiscal years subsequent to September 30, 2005 and thereafter are as follows (in thousands):

	Principal			Interest		
	Total	Public Utility	Waterworks	Total	Public Utility	Waterworks
Fiscal year ending:						
2006	\$ 8,135	6,290	1,845	4,326	3,075	1,251
2007	2,525	640	1,885	4,121	2,907	1,214
2008	4,980	3,160	1,820	3,996	2,820	1,176
2009	5,680	3,295	2,385	3,755	2,670	1,085
2010	5,910	3,435	2,475	3,484	2,518	966
2011 – 2015	33,610	19,640	13,970	13,478	10,067	3,411
2016 – 2020	32,675	24,925	7,750	5,315	4,681	634
2021	5,775	5,775	—	144	144	—
Total	\$ 99,290	67,160	32,130	38,619	28,882	9,737

The Public Utility Revenue Bonds, Refunding Series 2001, are not callable. The Public Utility obligation under the February 1, 2001 financing agreement is callable on January 1, 2011 at par. The Public Utility obligation under the June 1, 2001 financing agreement is callable on December 1, 2009 at par. City Utilities' long-term debt is publicly traded infrequently; therefore, a current market price is not readily available for these bonds and leases. The fair value of long-term debt is estimated based upon market prices for similar issues or on the current rates offered for instruments of the same remaining maturities. The estimated fair value of long-term debt at September 30, 2005 is \$103,356,000.

Certain of City Utilities' long-term obligations contain restrictions that require the maintenance of coverage ratios as defined in the related agreements. City Utilities' calculations of these ratios are performed in accordance with the long-term obligation agreements and are used solely to determine compliance with such covenants. City Utilities was in compliance with these covenants as of September 30, 2005.

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

### (e) *Construction Commitments*

#### **City of Springfield**

A summary of the City's commitments on uncompleted construction contracts and the amount, which is expected to be funded by federal and state grants, follows:

<b>Fund</b>	<b>Contract amount</b>	<b>Amount funded by grants</b>
General	\$ 62,944	—
Public parks improvement	961,468	—
Public works improvement	216,228	—
Capital improvements sales tax	4,854,926	384,188
National Airport	6,690,459	—
Sanitary sewerage system	2,038,403	—
Refuse disposal	137,892	—
Storm sewer, fairgrounds, and fire station projects	8,359,922	—
Total	\$ 23,322,242	384,188

Anticipated expenditures for extending and improving the City Utilities are estimated to be approximately \$54,510,000 for the year ending September 30, 2005. These expenditures include \$47,243,000 for Public Utility projects and \$7,267,000 for Water Utility projects.

#### **City Utilities Component Unit**

##### **Obligations to Purchase Electric Power and Energy**

*Grand River Dam Authority*—City Utilities has an agreement with the Grand River Dam Authority to purchase electric power and energy over a 15-year period through June 30, 2015. City Utilities purchases at least \$526,000 of electric power each month at rates specified in the agreement. The rate paid per kilowatt hour for all scheduled energy is subject to power cost adjustments computed every six months and is limited to a maximum annual adjustment of 5%.

*Southwestern Power Administration*—City Utilities has a purchased power agreement with the Southwestern Power Administration (SWPA) effective through June 30, 2015. City Utilities must purchase at least \$136,000 peaking capacity per month, plus transmission service. Additionally, City Utilities must purchase a minimum monthly amount of peaking energy of approximately \$30,000. The peaking rate is adjusted through a purchased power adder component. Banking energy can be transferred between SWPA and City Utilities and is recorded as a liability, which is adjusted annually on June 30 based on the previous 12-month coal generation fuel cost.

*Kansas City Power and Light Company*—City Utilities has a purchased power agreement with Kansas City Power and Light Company (KCPL) that runs through May 31, 2013. Under this agreement, City Utilities purchases 17 megawatts of capacity from three of KCPL's Montrose Power Station turbines (51 megawatts total). The capacity charge is \$84 per kilowatt per year through May 31, 2006, which equals \$357,000 per month; thereafter, the annual capacity charge drops to \$75

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

per kilowatt for the remainder of the contract, which equals \$319,000 per month. The contract provides that KCPL will furnish City Utilities with 380,000 kilowatt hours of electricity annually (using an 85% availability factor) with the energy charge based on the actual production costs of the Montrose units.

#### Obligations to Purchase Coal

*Powder River Coal Company*—On January 15, 2003, City Utilities entered into an agreement with Powder River Coal Company effective through December 31, 2005. City Utilities' coal purchase obligation for orders made pursuant to this agreement for calendar year 2005 is \$5,992,000. As of September 30, 2005, City Utilities had purchased \$4,624,000 of coal for the contract period ending December 31, 2005.

*Kennecott Coal Sales Company*—On October 18, 2004, City Utilities entered into an agreement with Kennecott Coal Sales Company effective through December 31, 2007. Under the terms of the agreement, City Utilities' coal purchase obligation is \$8,060,000, \$8,360,000, and \$8,570,000 for calendar years 2005, 2006, and 2007, respectively. As of September 30, 2005, City Utilities had purchased \$5,736,000 of coal for the contract period ending December 31, 2005.

#### Obligations to Purchase Rail Services

*Burlington Northern & Santa Fe Railway Co.*—City Utilities has an agreement with Burlington Northern and Santa Fe Railway Co. to purchase rail services to transport coal to both City Utilities' Power Stations. City Utilities agreed to tender a minimum tonnage of 900,000 tons in calendar year 2005. As of September 30, 2005, City Utilities had tendered coal tonnage of 1,368,000 tons.

*Obligations for Transportation and Storage Services of Natural Gas*—City Utilities has signed agreements with Southern Star Central Gas Pipeline, Inc. (formerly Williams Gas Pipelines Central) and Centerpoint Energy Gas Transmission Company (formerly Reliant Energy Gas Transmission Company) for transportation and/or storage services of natural gas, with various terms expiring in 1 to 20 years.

#### (f) *Interfund Receivables, Payables, and Transfers*

The composition of interfund balances as of June 30, 2006 is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	
General fund	Nonmajor governmental	\$ 3,590,861
General fund	Internal service	309,603
General fund	Nonmajor enterprise	490,000
Nonmajor governmental	Internal service	30,000
Total		<u>\$ 4,420,464</u>

Interfund payables and receivables are made for specific purposes for each fund, and for overdraws of cash, both of which are made in the ordinary course of business. Interfund payables and receivables are intended to be repaid in future years.

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

### Interfund transfers:

		<b>Transfers to</b>	
	<b>General</b>	<b>Nonmajor</b>	
	<b>fund</b>	<b>governmental</b>	<b>Total</b>
Transfers from:			
General fund	\$ —	5,899,919	5,899,919
Community development	—	387,463	387,463
Nonmajor governmental	930,520	13,438,160	14,368,680
Sanitary sewerage system fund	879,041	—	879,041
Refuse disposal fund	65,229	—	65,229
National airport fund	100,000	—	100,000
Total transfers out	\$ 1,974,790	19,725,542	21,700,332

All interfund transfers provided funding for general operations of each fund. These transfers are permanent in nature and are not intended to be repaid in future years.

### (3) Other Information

#### (a) *Employee Retirement Systems and Plans*

The City maintains the Pension Trust Fund, which covers substantially all employees of the City's police and fire departments. The City also participates in the Missouri Local Government Employees Retirement System (LAGERS), a statewide local government retirement system. LAGERS covers substantially all of the City's employees (not covered under the Pension Trust Fund) and the employees of the City Utilities component unit.

#### **I. The Policemen and Firemen's Retirement System**

##### **Plan Description**

All of the City's police officers and firefighters become members in the Pension Trust Fund, a single employer defined benefit pension plan, as a condition of their employment. The Pension Trust Fund provides retirement, disability, and death benefits to plan members and beneficiaries.

A separate publicly available financial report is issued that includes financial statements and required supplementary information. The financial report may be obtained by writing to the City of Springfield, Finance Department, P.O. Box 8368, Springfield, Missouri 65801-8368 or by calling (417) 864-1625.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

#### Summary of Significant Accounting Policies

*Basis of Accounting*—The Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments*—Investments are valued at fair value using quoted market prices at the valuation date.

#### Funding Policy

The City's funding policy provides employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Operation of the Pension Trust Fund is governed by City ordinance and is administered by the plan's board of trustees. The Pension Trust Fund is not subject to the provisions of the Employee Retirement Income Security Act of 1974. Members are required to contribute 10.64% of their annual salary to the plan. The City is required to contribute the remaining amounts necessary to fund the plan. In accordance with the contribution requirements determined by an actuarial valuation, employer contributions were 26.63% of current year covered payroll.

#### Annual Pension Cost

For 2006, the City's annual pension cost was \$9,850,818. The City contributed \$6,831,086 which did not meet the required contribution. The plan's actuarial methods and assumptions are included as required supplementary information immediately following the notes to the basic financial statements.

The annual pension cost and net pension obligation as of June 30, 2006 is as follows:

Annual required contribution	\$ 9,834,917
Interest on net pension obligation	<u>15,901</u>
Annual pension cost	9,850,818
Contributions made	<u>6,831,086</u>
Change in net pension obligation	3,019,732
Net pension obligation, beginning of year	<u>523,138</u>
Net pension obligation, end of year	<u><u>\$ 3,542,870</u></u>

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

### Historical trend information:

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ending:			
June 30, 2004	\$ 5,891,663	100	—
June 30, 2005	7,318,828	95	523,138
June 30, 2006	9,850,818	69	3,542,870

### Current membership:

Retirees and beneficiaries receiving benefits and terminated vested members	440
Active plan members:	
Fully vested	396
Nonvested	123
Total	<u>959</u>

### Plan Assumptions

The following summarizes the actuarial assumptions of the plan:

Valuation date	June 30, 2006
Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Investment rate of return	7.5%
Projected salary increases, depending on age, attributable to seniority/merit	7.5% per year, decreasing to 3% after 10 years for fire and 12 years for police
Projected salary increases, attributable to inflation	3%
Increase in benefits per year after retirement	3%

## II. Missouri Local Government Employees Retirement System (LAGERS)

### Plan Description

The City and City Utilities participate in the LAGERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo 70.600-70.755. As such, it is LAGERS's responsibility to administer the law in

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

#### Funding Policy

The City's and City Utilities' full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate. The rate for City Utilities was 20.6% for the year ended September 30, 2005. The rate for the City was 17.8% for the year ended June 30, 2006. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

#### Annual Pension Cost

For 2005, City Utilities' and the City's annual pension cost of \$11,523,000 and \$7,072,481, respectively, was equal to the required and actual contributions. The plan's actuarial methods and assumptions are included as supplementary information immediately following the notes to the basic financial statements.

#### Prepaid Pension Asset

To reduce future fixed costs, City Utilities made two payments of \$18 million and \$3.4 million to LAGERS in November 1997 and September 1998, respectively. These payments reduced the past unfunded pension liability. The payments will be amortized to pension expense over 15 years. This was prudent and desirable since the funds managed by the pension administrator can be invested in a broader range of securities than those invested by City Utilities. LAGERS' investment performance had exceeded City Utilities' by an average of 3% per year over the past 10 years. Giving effect to this payment in the actuarial studies that set the pension contribution rate will lower pension costs in future years, with savings currently estimated in excess of \$1.5 million per year.

Historical trend information:

City of Springfield three-year trend information			
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Fiscal year ending:			
June 30, 2004	\$ 6,512,809	100	—
June 30, 2005	7,072,481	100	—
June 30, 2006	7,396,186	100	—



# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Historical trend information:

	City Utilities three-year trend information		
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Fiscal year ending:			
September 30, 2003	\$ 10,393,000	100	—
September 30, 2004	10,855,000	100	—
September 30, 2005	11,523,000	100	—

### III. Other Postretirement Benefits

The general employees of the City are eligible to continue coverage, as prescribed by City ordinances, in the City's healthcare plan and to maintain their life insurance through the City upon retirement. The premiums are paid entirely by the retired employee, with no contribution or obligation to contribute by the City for either the healthcare or life insurance plans. The cost of retiree healthcare is recognized as an expenditure as claims are paid from the City's self-insurance healthcare fund. For the year ended June 30, 2006, the costs to the City's self-insured healthcare plan for retirees exceeded their premiums by approximately \$1,420,649. There was no cost to the City for the life insurance plan. As of June 30, 2006, there were 385 retirees participating in the health plan and 89 retirees participating in the life insurance plan.

#### (b) *Litigation and Contingent Liabilities*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City and the City Utilities component unit expect such amounts, if any, to be immaterial.

In the normal course of business, both the City and the City Utilities component unit are involved in various legal proceedings. Although the outcome of these proceedings is not presently determinable, it is the opinion of the City and City Utilities' legal counsel and management that the resolution of these matters will not have a material adverse effect on the financial position of the City or City Utilities.

#### (c) *Clean Air Act Amendments of 1990—City Utilities Component Unit*

The Clean Air Act Amendments of 1990 (the Act), signed on November 15, 1990, include requirements for reductions in sulfur dioxide and nitrogen oxides emissions for electric utilities.

The Act allows selling and trading of allowances. An "allowance" under the Act is the authorization to emit one ton of sulfur dioxide in one year. Clean Air Act allowances totaling \$2.6 million were sold during the fiscal year ended September 30, 2004.

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

City Utilities is tracking several regulatory and legislative initiatives that could impact future expenditures on air emissions control equipment and operation. City Utilities is in full compliance with the sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (Nox) provisions of the Clean Air Act Amendments. Further Nox emission reductions will occur in 2004 under a new Missouri regulation and City Utilities expects to comply with no additional capital equipment.

The Environmental Protection Agency (EPA) is in the final stages of implementing new ambient air standards for ozone and fine particulate matter. These standards were originally adopted on July 18, 1997 but were delayed by legal challenges. The Springfield air quality meets the new standards for both contaminants; accordingly, near-term impacts from these regulations should be minimal. The EPA proposed rules to control long-range transport of ozone and fine particulate precursors in January 2004. Along with a companion program to reduce regional haze, the anticipated transport rules could require additional SO<sub>2</sub> and Nox control technology at City Utilities' coal-fired power stations over the next decade. New control requirements could be imposed at approximately the same time as mercury emission reductions, which were also proposed in January 2004, with implementation between 2007 and 2009.

Some of the uncertainty and timing issues associated with these proposals could be eliminated if the EPA secures passage of the Clear Skies initiative. This would set a new legislated program in place to control multiple pollutants over a defined time period. City Utilities will continue to monitor developments on both the regulatory and legislative horizons.

#### **(d) Closure and Postclosure Care Costs**

State and federal laws and regulations require the City's sanitary landfill to place a final cover on each cell of the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that each cell of the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense of the refuse disposal fund in each period based on landfill capacity used as of each period. As of June 30, 2006, a total of \$13,161,087 is reported as landfill closure and postclosure liability on the statement of net assets. This is an increase in the liability reported as of June 30, 2005 due to usage, revised estimates of future costs to current year 2006 dollars, and changes made in estimates regarding capacity of Noble Hill/cell one and cell two. During fiscal year 2003, construction was completed on cell two. The City received an "authorization to operate" from the Missouri Department of Natural Resources (MoDNR) and began accepting waste in cell two.

This total represents the cumulative amount reported to date based on the use of approximately 97% of the estimated capacity of Noble Hill/cell one and cell two of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$407,044 as the remaining capacity of cell one and cell two is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2006. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimated remaining life of Noble Hill/cell one and cell two ranges from 10 months to 2.1 years based on average daily refuse received of 250 to 600 tons.

The City is currently under a contract of obligation with the MoDNR executed June 28, 2004 for \$12.5 million related to closure and postclosure costs for Noble Hill/cell one and cell two of the

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

landfill. During 2006, revisions to the closure and postclosure cost estimates were submitted to MoDNR for review and approval. The revisions had not been approved as of June 30, 2006; therefore, the revised amounts have not been incorporated into the landfill closure and postclosure liability calculations for the statement of net assets. If the revisions are approved by MoDNR, the total estimated closure and postclosure costs would be \$3,957,879 less than previous estimates. The reduction is due to an adjustment in the unit cost for leachate disposal for the Nobel Hill/cell one areas as well as the closure of 12.9 acres in this area and the anticipated release of a proportionate amount of last year's closure estimate.

The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from available operating revenues, reserves, and interest earnings on cash and short-term investments held in the refuse disposal fund. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through charges to future landfill users.

#### **(e) Risk Management**

The City is exposed to various risks, such as property exposures, automobile liability, workers' compensation claims, equipment losses, general liability claims, and the costs associated with an employee health plan. The City's risk financing plans consist of insurance and self-insurance for the various risks identified. For property exposures, the City purchases an all-risk insurance policy. Current property values total \$399,564,000. This property insurance presently carries a primary deductible of \$50,000. While coverage is purchased for City-owned equipment, the comprehensive or collision exposure to City-owned vehicles is self-insured. Neither liability claims nor property losses have exceeded the limits of coverage that comprise the City's risk financing plans.

The City established a self-insurance program for workers' compensation in fiscal year 1988 and for health insurance in fiscal year 1985. The workers' compensation plan covers all City employees, while the health plan covers retirees and all permanent City employees who work at least 30 hours per week. The self-insurance fund, an internal service fund, was established to account for the premiums received from retirees and employees and the City's share of premiums for both health insurance and workers' compensation. The operating funds are charged a monthly rate per employee for both health insurance coverage and workers' compensation.

The premiums are available to pay claims, claim reserves, and administrative costs of the programs. Stop-loss reinsurance coverages are maintained by the City to eliminate the risk of unlimited claim liability and minimize claim fluctuations due to catastrophic losses. Liabilities of the self-insurance fund include an amount for claims that have been incurred but not reported.

# CITY OF SPRINGFIELD, MISSOURI

## Notes to Financial Statements

June 30, 2006

Changes in the City's estimated liability for incurred but unreported claims in its self-insurance fund for fiscal years 2005 and 2006 were as follows:

	<u>Liability balance beginning of year</u>	<u>Current year claims changes in estimates</u>	<u>Claims payments</u>	<u>Liability balance end of year</u>
Fiscal year ended June 30:				
2005	\$ 4,100,000	10,079,178	10,862,178	3,317,000
2006	3,317,000	13,026,255	12,260,255	4,083,000

The estimated liability for general government claims and judgments that are not expected to be liquidated with available expendable financial resources are recorded in the governmental activities column of the statement of net assets when it is probable that a loss has occurred and the amount can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, incremental costs, recent claim settlement trends (including frequency and amount of payouts), and other factors. Other nonincremental costs are not included in the basis of estimating the liability. Liabilities incurred for such losses or claims by a proprietary fund are recorded within the respective fund likewise when it is probable that a loss has occurred and the amount can be reasonably estimated.

### (f) *Joint Ventures*

On June 28, 1993, the City Council approved a partnership agreement among the City, the City Utilities component unit, the Springfield Area Chamber of Commerce, and the Springfield Business and Industrial Development Corporation to form a public/private joint venture for purposes of developing an industrial park.

Under this agreement, the City is to provide appropriate municipal improvements, such as streets, sanitary and storm sewers, and infrastructure engineering. City Utilities is responsible for utility services, such as natural gas, water, electricity, and fiber optic telecommunication. In addition, City Utilities will pay for consulting services to prepare a design and overall concept plan for the industrial park, including parcel division, appropriate land use, transportation access, and all related matters. At the request of the City Council, City Utilities has also acquired the land for the industrial center. The Chamber of Commerce, under terms of the agreement, will provide general marketing guidance, services, and expertise. The Springfield Business and Industrial Development Corporation will be responsible for acquiring, from private sources, funds to construct a shell facility or facilities suitable for general manufacturing or industrial purposes.

The net profits or net losses of the partnership, as well as gains and losses realized upon the sale, lease, exchange, or other conversion of any part or all of the real estate controlled by the partnership, are to be allocated based upon each partner's percentage of the partnership's capital accounts.

Financial accountability for the industrial park is vested in a nine-member Administrative Council. The Council consists of one City Council member appointed by the Mayor, one member from the Board of Public Utilities appointed by the Chairman of its Board, one member of the Springfield

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

Business and Industrial Development Corporation appointed by its president, one member from the board of directors of the Springfield Area Chamber of Commerce appointed by its chairman, the City Manager of the City of Springfield or a designee selected from senior City staff, the General Manager of City Utilities or a designee selected from senior Utility staff officials, the President of the Springfield Area Chamber of Commerce or designee selected from senior Chamber staff, one member of the Greene County Commission appointed by the Presiding Commissioner, and the Chairman of the City Utilities' Citizens' Advisory Council or a designee selected from the membership of the Citizens' Advisory Council.

For the year ended June 30, 2006, the City expended \$102,522 toward development of the industrial park. The City had outstanding encumbrances of \$87,856 at June 30, 2006. These expenditures and encumbrances are included in the financial statements within the public works improvement fund.

As of September 30, 2005, City Utilities had an ownership interest of 79% in the partnership. As of September 30, 2005, the Public Utility had incurred \$5,599,000, for land and improvements, recognized losses of \$832,000, and received distributions of \$3,914,000 for a net equity balance of \$853,000. The Water Utility incurred \$376,000 for improvements, recorded losses of \$96,000, and received contributions of \$268,000, for a net equity balance of \$12,000.

The partnership is in the process of developing a second industrial park on the west side of Springfield, Missouri. City Utilities' participation in the second industrial park will be in the same capacity as the first industrial park, with the exception that land acquisitions will be made by the Springfield Business and Industrial Development Corporation. As of September 30, 2005, City Utilities had incurred \$400,000 for land and improvements and recognized income of \$22,000, for a net equity balance of \$422,000. The Water Utility had incurred \$345,000 for improvements and recognized income of \$16,000, for a net equity balance of \$361,000.

Amounts expended for the industrial center are accounted for using the equity method and are recorded in other assets. The net profits or net losses of the partnership are to be allocated based upon each partner's percentage of the partnership's capital accounts. At September 30, 2005, City Utilities had an ownership interest of 79% in the partnership.

The City received a distribution of \$160,318 from the partnership for the year ended June 30, 2004. The City's cumulative investment in the joint venture, net of distributions received or receivable, is included within the capital assets section. City Utilities' equity interest is reported within its discrete component unit presentation.

Separate financial statements for the partnership are prepared and distributed to each partner on a quarterly basis. Copies of the statements are available from the Partnership Industrial Center Administrative Council, 320 North Jefferson Avenue, Springfield, Missouri 65802.

**(g) *Equity Interest in the Energy Authority—City Utilities Component Unit***

City Utilities is an equity member of The Energy Authority (TEA), a power marketing joint venture based in Jacksonville, Florida and incorporated in Georgia. As of September 30, 2005, TEA was comprised of six municipal utilities with equity interests, including four large partners with ownership interests of 21.43% each. The large partners are MEAG Power, JEA, South Carolina Public Service Authority (a.k.a. Santee Cooper), and the Nebraska Public Power District. City

## CITY OF SPRINGFIELD, MISSOURI

### Notes to Financial Statements

June 30, 2006

Utilities and Gainesville Regional Utilities (Florida) are medium equity partners with ownership interests of 7.14% each. As a member of TEA, City Utilities benefits from the risk management strategies maintained by TEA that seek to avoid financial losses by limiting financial exposure as a result of unexpected unit outages and volatile market prices. City Utilities also receives resource management services from TEA. City Utilities uses the equity method of accounting to record its investments in TEA.

To become an equity member, City Utilities was required to meet the following conditions:

- Pay a membership fee of \$867,000 that City Utilities recorded as a deferred expense and amortized over the 24-month period that the fee was refundable on a prorated basis. This membership fee was fully amortized as of July 2002.
- City Utilities paid an initial capital contribution of \$1 million, of which TEA subsequently returned \$248,000 resulting in a net capital contribution of \$752,000. In addition to the initial net capital contribution, City Utilities' component share of TEA's net activity through September 30, 2005 was \$2,130,000 as of that date.

In accordance with the membership agreement between City Utilities and its joint venture members, City Utilities has provided TEA with guarantees that result in a maximum exposure of \$9,643,000 to secure power-marketing transactions. Prior to June 2004, this amount included a letter of credit supported by the advance agreement cash deposit of \$429,000. This letter of credit was refunded in June 2004 with a corresponding increase to guarantees provided by City Utilities to TEA. City Utilities' guarantees are effective until its participation in the joint venture ends.

#### **(h) *Water Storage—City Utilities Component Unit***

In October 1993, City Utilities entered into a contract with the federal government to utilize 7.63% (estimated at 50,000 acre-feet) of the usable storage space at Stockton Lake. The storage space is to be used in two stages: 25,000 acre-feet initially, and an additional 25,000 acre-feet when required by future demand. Payment on the first 25,000 acre-feet of approximately \$4.8 million was made September 30, 1995. Payment on the second 25,000 acre-feet, which is estimated at \$4.6 million and is payable in annual installments over a 30-year period, begins within 30 days after the first use of the additional storage or on January 1, 2016, whichever occurs first. City Utilities has the right to prepay the balance due at any time in whole or in part. City Utilities placed in service the water supply pipeline and intake structure in June of 1996. Upon the structures becoming operational, City Utilities accessed the initial 25,000 acre-feet of storage space and began paying a percentage of the annual operations and maintenance expense of Stockton Lake.

#### **(i) *Subsequent Events***

The City issued the following bonds/debt:

On August 1, 2006, Municipal Facilities Revenue Bonds, Series 2006 (Stormwater Improvement Projects), totaling \$6,520,000, were issued through the Public Building Corporation of the City of Springfield, Missouri. The interest rate on the bonds range from 4.00% – 4.25% and the maturity date is May 1, 2026.

## **CITY OF SPRINGFIELD, MISSOURI**

### **Notes to Financial Statements**

June 30, 2006

On October 18, 2006, the City borrowed \$3.1 million from the Missouri Development Finance Board to purchase the note on the Heers Building in downtown Springfield. The interest rate on the loan is 5.09% and is due on June 30, 2007. The City has the right to extend the obligation to September 30, 2007.

#### **City Utilities – Component Unit:**

On August 1, 2006, Public Utility Revenue Bonds, Series 2006, totaling \$615 million were issued to pay the costs of acquiring, construction and equipping an additional coal-fired electric generating unit and related facilities. The interest rate on the bonds range from 4-5% and the maturity date is August 1, 2036.

#### **(j) Deficits**

The accumulated deficits in nonmajor funds in the amounts of \$1,168,637 in the tourism tax community improvement fund, \$1,054,838 in the miscellaneous capital projects (capital project) funds, \$243,322 in the print shop, and \$3,040,873 for the self-insurance (internal service) fund will be eliminated by future revenues or operating transfers.

#### **(k) Works of Art**

The Springfield Art Museum is a general museum of fine art. The museum wishes to form and maintain collections of the highest possible aesthetic quality and significance, covering the entire range of the history of art. The collection consists of glass, metalwork, manuscripts, musical instruments, paintings, prints, silver, ceramics, and sculptures. In recognition of the museum's existing collections and limited acquisition funds, acquisitions of new collections generally focus on American art of all periods. It is assumed that all objects that become the property of the Springfield Art Museum, whether donated or purchased, are to remain in the museum's collection on a permanent basis. If an object or group of objects is sold, the moneys derived from the sale shall be added to the museum's acquisition fund and expended in the appropriate fiscal year or deposited in the museum's endowment fund to be utilized at a future date. Since the collection is not held for financial gain, but is protected, preserved, and disposed only in order to acquire other works of art, the collections are excluded from the financial statements.

**CITY OF SPRINGFIELD, MISSOURI**  
Required Supplementary Information (Unaudited)  
Budgetary Comparison Schedule—General Fund  
Year ended June 30, 2006

	Budgeted amounts		Actual	Variance with final budget— positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 40,900,000	42,260,000	42,533,965	273,965
Franchise	3,190,000	3,190,000	3,190,339	339
Licenses and permits	2,989,000	3,239,000	3,421,680	182,680
Intergovernmental	2,521,000	3,036,000	3,499,882	463,882
Charges for services	2,892,400	2,901,971	3,157,028	255,057
Fines and forfeitures	1,940,000	1,940,000	1,925,595	(14,405)
Revenues from use of money and property	525,000	525,000	582,847	57,847
Payments in lieu of taxes	10,100,000	11,400,000	12,071,385	671,385
Other	150,000	150,000	23,650	(126,350)
Total revenues	65,207,400	68,641,971	70,406,371	1,764,400
Expenditures:				
Current:				
General government:				
Public records	326,104	342,812	315,974	26,838
Council	74,657	70,757	62,689	8,068
Public information office	424,941	414,315	360,986	53,329
City manager	891,430	1,003,430	933,797	69,633
Finance	2,017,711	2,017,711	2,005,598	12,113
Counsel, legal advise, and prosecution	1,892,335	2,306,372	1,953,903	352,469
Human resources	967,437	981,237	912,236	69,001
Zoning and subdivision services	477,596	477,596	452,496	25,100
Municipal court operations	1,413,301	1,398,994	1,401,952	(2,958)
Information systems	2,197,712	2,077,712	2,009,180	68,532
Other—unclassified	1,870,079	2,640,172	2,814,713	(174,541)
Total general government	12,553,303	13,731,108	13,223,524	507,584
Public works:				
Engineering	2,007,706	2,010,406	1,484,603	525,803
Maintenance	5,134,942	4,721,792	4,937,203	(215,411)
Total public works	7,142,648	6,732,198	6,421,806	310,392
Public safety:				
Police	20,864,756	21,579,504	21,302,567	276,937
Fire	14,501,963	15,206,663	15,017,203	189,460
Emergency communications	3,565,280	3,581,180	3,408,354	172,826
Inspection	1,906,403	1,791,703	1,738,801	52,902
Total public safety	40,838,402	42,159,050	41,466,925	692,125
Planning and development services:				
Economic development and assistance	1,249,052	1,191,773	1,115,945	75,828
Housing and redevelopment services	18,875	18,875	19,558	(683)
Total planning and development	1,267,927	1,210,648	1,135,503	75,145
Capital outlay:				
Maintenance	216,658	352,117	161,520	190,597
Engineering	43,581	73,581	43,014	30,567
Fire	30,478	34,999	26,443	8,556
Police	627,762	627,762	555,261	72,501
General government	380,911	240,847	76,685	164,162
Total capital outlay	1,299,390	1,329,306	862,923	466,383
Total expenditures	63,101,670	65,162,310	63,110,681	2,051,629
Excess of revenues over expenditures	2,105,730	3,479,661	7,295,690	3,816,029
Other financing sources (uses):				
Transfers in	1,842,590	1,842,590	1,974,790	132,200
Transfers out	(5,244,036)	(6,620,415)	(5,899,919)	720,496
Total other financing sources and uses	(3,401,446)	(4,777,825)	(3,925,129)	852,696
Net change in fund balances	(1,295,716)	(1,298,164)	3,370,561	4,668,725
Fund balances—beginning	9,230,075	9,230,075	9,230,075	—
Fund balances—ending	\$ 7,934,359	7,931,911	12,600,636	4,668,725

See accompanying independent auditors' report.



**CITY OF SPRINGFIELD, MISSOURI**  
 Required Supplementary Information (Unaudited)  
 Budgetary Comparison Schedule—Community Development Fund  
 Year ended June 30, 2006

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance with final budget— positive (negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Intergovernmental	\$ 15,087,814	15,318,714	3,594,023	(11,724,691)
Revenues from use of money and property	—	—	46,298	46,298
Other	—	—	2,940,465	2,940,465
Total revenues	<u>15,087,814</u>	<u>15,318,714</u>	<u>6,580,786</u>	<u>(8,737,928)</u>
Expenditures:				
Planning and development	<u>14,780,385</u>	<u>14,835,670</u>	<u>6,187,508</u>	<u>8,648,162</u>
Excess (deficiency) of revenues over expenditures	307,429	483,044	393,278	(89,766)
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(387,463)</u>	<u>12,537</u>
Total other financing sources and uses	<u>(400,000)</u>	<u>(400,000)</u>	<u>(387,463)</u>	<u>12,537</u>
Net change in fund balance	<u>(92,571)</u>	<u>83,044</u>	<u>5,815</u>	<u>(77,229)</u>
Fund balances—beginning	<u>4,559,595</u>	<u>4,559,595</u>	<u>4,559,595</u>	<u>—</u>
Fund balances—ending	<u>\$ 4,467,024</u>	<u>4,642,639</u>	<u>4,565,410</u>	<u>(77,229)</u>

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**  
Required Supplementary Information (Unaudited)  
Notes to Budgetary Comparison Schedules  
Year ended June 30, 2006

**(1) Budgets and Budgetary Accounting**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. By May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditure plans for all fund types (except fiduciary funds, which are not subject to budgetary considerations) and the proposed means of financing them.
2. One public hearing is conducted by the City Council in late May or early June to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to July 1, ordinances are passed by City Council that provide for legally adopted budgets in the City's general and special revenue funds. Plans approved for capital projects, debt service, and proprietary fund types provide operating guidance subject to actual activity during the fiscal year.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program, and department. The legal level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council.
5. Formal budgetary integration is employed as a management control device in the general and special revenue funds. Formal budgetary integration is not employed for debt service funds, since budgetary control is achieved through general obligation bond indenture provisions.
6. Budgets for the general and special revenue funds are adopted on a basis consistent with GAAP, except that encumbrances are included with expenditures when the annual budget is established. Budgeted amounts may be amended by the City Council on approved budget adjustment forms.

**CITY OF SPRINGFIELD, MISSOURI**  
Required Supplementary Information (Unaudited)  
Year ended June 30, 2006

Employee Retirement Systems

Schedule of Funding Progress

Policemen and Firemen's Retirement Fund

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability</u>	<u>(b-a) Unfunded accrued liability (UAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>[(b-a)/c] UAL as a percentage of covered payroll</u>
June 30, 2004	\$ 130,419,000	238,755,000	108,335,000	54.62%	\$ 24,105,000	449%
June 30, 2005	130,496,000	250,850,000	120,353,000	52.02%	23,866,000	504%
June 30, 2006	133,494,000	263,814,000	130,319,000	50.60%	23,746,000	548%

Missouri Local Government Employees Retirement System (LAGERS)  
City of Springfield, Missouri

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability</u>	<u>(b-a) Unfunded accrued liability (UAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>[(b-a)/c] UAL as a percentage of covered payroll</u>
February 28, 2004	\$ 76,741,683	101,445,126	24,703,443	76%	\$ 36,016,337	69%
February 28, 2005	75,678,759	102,620,141	26,941,384	74%	37,070,393	73%
February 28, 2006	79,540,438	106,373,592	26,833,154	75%	37,665,377	71%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the benefit reserve fund.

Missouri Local Government Employee Retirement System (LAGERS)  
City Utilities

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability</u>	<u>Unfunded accrued liability (UAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>UAL as a percentage of covered payroll</u>
February 28, 2003	\$ 114,664,000	173,508,000	58,844,000	66%	\$ 54,095,000	109%
February 28, 2004	111,580,905	175,865,042	64,284,137	63%	55,017,828	117%
February 28, 2005	118,232,000	179,521,000	61,289,000	66%	55,532,000	110%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the benefit reserve fund and the casualty reserve fund.

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2006

<b>Assets</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Permanent</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and cash equivalents	\$ 13,375,722	16,906,442	49,326,099	1,027,961	80,636,224
Accrued interest receivable	72,542	107,224	393,635	8,004	581,405
Special assessments receivable	—	4,631,221	—	—	4,631,221
Property taxes receivable:					
Current	8,311,032	6,303,513	—	—	14,614,545
Delinquent	355,911	273,102	—	—	629,013
	8,666,943	6,576,615	—	—	15,243,558
Less allowance for uncollectible amounts	(34,358)	(26,072)	—	—	(60,430)
Net property taxes receivable	8,632,585	6,550,543	—	—	15,183,128
Restricted cash and cash equivalents	—	16,106,631	—	—	16,106,631
Accounts receivable	796,983	109,301	2,769,120	—	3,675,404
Inventories	970,770	—	—	—	970,770
Due from other funds	—	—	30,000	—	30,000
Due from other governments	1,392,537	—	4,572,746	—	5,965,283
Total assets	\$ 25,241,139	44,411,362	57,091,600	1,035,965	127,780,066
<b>Liabilities</b>					
Accounts payable and other accrued liabilities	\$ 2,074,127	146,011	3,575,207	—	5,795,345
Deferred revenue	8,272,868	10,734,007	5,651,090	—	24,657,965
Due to other governments	—	—	272,607	—	272,607
Due to other funds	543,767	—	3,047,094	—	3,590,861
Total liabilities	10,890,762	10,880,018	12,545,998	—	34,316,778
<b>Fund Balance</b>					
Reserved for encumbrances	1,789,061	—	12,789,583	—	14,578,644
Reserved for debt service	—	16,106,631	—	—	16,106,631
Restricted for perpetual care	—	—	—	964,003	964,003
Unreserved, undesignated	12,561,316	17,424,713	31,756,019	71,962	61,814,010
Total fund balance	14,350,377	33,531,344	44,545,602	1,035,965	93,463,288
Total liabilities and fund balance	\$ 25,241,139	44,411,362	57,091,600	1,035,965	127,780,066

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances—Nonmajor Governmental Funds  
Year ended June 30, 2006

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 10,031,414	6,536,817	303,877	—	16,872,108
Sales taxes	16,392,053	—	24,861,775	—	41,253,828
Room taxes	3,215,623	—	—	—	3,215,623
Intergovernmental	10,487,015	—	1,201,442	—	11,688,457
Charges for current services	6,013,003	—	—	—	6,013,003
Special assessments	—	2,331,634	—	—	2,331,634
Revenues from use of money and property	326,130	1,052,420	1,520,759	60,598	2,959,907
Other	1,932,323	876,595	4,041,055	323,941	7,173,914
<b>Total revenues</b>	<b>48,397,561</b>	<b>10,797,466</b>	<b>31,928,908</b>	<b>384,539</b>	<b>91,508,474</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Public works	13,390,037	—	—	—	13,390,037
Public safety	8,328,528	—	—	—	8,328,528
Parks and recreation	15,122,942	—	—	1,000	15,123,942
Planning and development	449,175	—	—	—	449,175
Public health	7,985,907	—	—	—	7,985,907
General government	5,580,197	—	—	—	5,580,197
<b>Debt service:</b>					
Principal	—	16,631,779	—	—	16,631,779
Interest and other charges	—	10,100,744	—	—	10,100,744
<b>Capital outlay:</b>					
Public works	—	—	18,454,653	—	18,454,653
Public safety	—	—	1,917,493	—	1,917,493
Parks and recreation	—	—	15,482,394	—	15,482,394
Planning and development	—	—	596,313	—	596,313
General government	—	—	150,596	—	150,596
<b>Total expenditures</b>	<b>50,856,786</b>	<b>26,732,523</b>	<b>36,601,449</b>	<b>1,000</b>	<b>114,191,758</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,459,225)</b>	<b>(15,935,057)</b>	<b>(4,672,541)</b>	<b>383,539</b>	<b>(22,683,284)</b>
<b>Other financing sources (uses):</b>					
Issuance of debt	—	1,057,914	11,447,086	—	12,505,000
Bond premium (discount)	—	(93,406)	12,252	—	(81,154)
Transfers in	5,358,017	10,954,949	3,412,576	—	19,725,542
Transfers out	(5,066,729)	(1,815,495)	(6,509,135)	(977,321)	(14,368,680)
<b>Total other financing sources (uses)</b>	<b>291,288</b>	<b>10,103,962</b>	<b>8,362,779</b>	<b>(977,321)</b>	<b>17,780,708</b>
<b>Net change in fund balance</b>	<b>(2,167,937)</b>	<b>(5,831,095)</b>	<b>3,690,238</b>	<b>(593,782)</b>	<b>(4,902,576)</b>
Fund balance, beginning of year	16,518,314	39,362,439	40,855,364	1,629,747	98,365,864
Fund balance, end of year	\$ 14,350,377	33,531,344	44,545,602	1,035,965	93,463,288

See accompanying independent auditors' report.

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

**Art Museum**—The art museum fund was established by City Charter to account for the proceeds of a four-cent ad valorem tax levy and contributions, which represent the primary sources of funding for the activities of the art museum.

**Public Parks**—The public parks fund was established by City Charter to account for the proceeds of an 18-cent ad valorem tax levy, which partially funds the activities of the City's parks system. The parks system also receives substantial revenues from concessions, zoo admissions, swimming, and softball fees.

**Public Health Services**—The public health services fund was established by City Charter to account for the proceeds of an 11-cent ad valorem tax levy, which partially funds the operation of the Springfield-Greene County Health Department. Substantial revenues are received from the federal, state, and Greene County governments to augment the tax levy to support the varied activities of the Health Department.

**Public Works Transportation**—The public works transportation fund was established to account for the City's street maintenance and traffic signalization activities. Operating revenues in this fund come primarily from state gasoline taxes and utility cut charges.

**Tourism/Convention Promotion**—The tourism/convention fund accounts for the proceeds of the City's 2% hotel/motel tax. These funds are used exclusively by the tourism/convention board to promote the Springfield area throughout the Midwest as a convention center and family vacation area.

**Miscellaneous Special Revenue**—This fund was established to account for miscellaneous grants and special activities of the City that are designated for a specific purpose or period of time.

**WIC Program**—The WIC program fund accounts for federal grants from the United States Department of Agriculture for the Women, Infant's, and Children's Supplemental Food Program.

**Workforce Development**—The workforce development fund accounts for federal grants from the United States Department of Labor in support of adult and youth jobs training under the Workforce Investment Act of 1998, as well as miscellaneous state grants.

**Road and Bridge Maintenance**—The road and bridge maintenance fund accounts for the City's portion of the Greene County road and bridge tax. The funds are expended for local street repair and resurfacing.

**Law Enforcement**—This fund accounts for the proceeds from the law enforcement sales tax revenue.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2006

Assets	Art Museum	Public Parks	Public Health Services	Public Works Transportation	Tourism/ Convention Promotion	Miscellaneous Special Revenue	Law Enforcement	WIC Program	Workforce Development	Road and Bridge Maintenance	Total
Cash and cash equivalents	\$ 2,714,636	—	—	4,720,712	351,725	3,175,443	1,862,675	—	15,555	534,976	13,375,722
Accrued interest receivable	21,464	29	—	—	7,464	10,979	23,320	—	—	9,286	72,542
Property taxes receivable:											
Current	919,713	4,394,449	2,996,870	—	—	—	—	—	—	—	8,311,032
Delinquent	39,944	189,059	126,908	—	—	—	—	—	—	—	355,911
	959,657	4,583,508	3,123,778	—	—	—	—	—	—	—	8,666,943
	(3,805)	(18,154)	(12,399)	—	—	—	—	—	—	—	(34,358)
Less allowance for uncollectible amounts	955,852	4,565,354	3,111,379	—	—	—	—	—	—	—	8,632,585
Net property taxes receivable	—	21,623	2,071	137,074	622,530	—	—	—	13,685	—	796,983
Inventories	—	85,304	—	885,466	—	—	—	—	—	—	970,770
Due from other governments	—	409,828	287,511	—	—	115,729	52,706	129,725	397,038	—	1,392,537
Total assets	\$ 3,691,952	5,082,138	3,400,961	5,743,252	981,719	3,302,151	1,938,701	129,725	426,278	544,262	25,241,139
Liabilities											
Due to other funds	\$ —	118,665	302,578	—	—	—	—	122,524	—	—	543,767
Accounts payable	32,651	542,501	175,728	443,302	244,982	151,930	40,492	1,103	426,278	15,160	2,033,635
Other accrued liabilities	—	—	—	—	—	—	—	—	—	—	40,492
Retainages payable and other accrued costs	—	—	—	—	—	—	—	—	—	—	—
Deferred revenue	890,322	4,256,476	2,907,809	134,061	—	84,200	—	—	—	—	8,272,868
Total liabilities	922,973	4,917,642	3,386,115	577,363	244,982	236,130	40,492	123,627	426,278	15,160	10,890,762
Fund Balance											
Reserved for encumbrances	3,248	154,801	223,240	816,463	1,686	379,820	191,635	18,168	—	—	1,789,061
Unreserved, undesignated	2,765,731	9,695	(208,394)	4,349,426	735,051	2,686,201	1,706,574	(12,070)	—	529,102	12,561,316
Total fund balance	2,768,979	164,496	14,846	5,165,889	736,737	3,066,021	1,898,209	6,098	—	529,102	14,350,377
Total liabilities and fund balance	\$ 3,691,952	5,082,138	3,400,961	5,743,252	981,719	3,302,151	1,938,701	129,725	426,278	544,262	25,241,139

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended June 30, 2006

	Art Museum	Public Parks	Public Health Services	Public Works Transportation	Tourism/ Convention Promotion	Miscellaneous Special Revenue	Law Enforcement	WIC Program	Workforce Development	Road and Bridge Maintenance	Total
<b>Revenues:</b>											
Sales taxes	—	—	—	8,463,673	—	757,221	7,171,159	—	—	—	16,392,053
Property taxes	953,692	4,558,009	3,111,080	—	—	—	—	—	—	1,408,633	10,031,414
Room taxes	—	—	—	—	3,215,623	—	—	—	—	—	3,215,623
Interest	50,302	5,636	—	—	26,071	46,275	95,146	367	—	42,098	265,895
Rent	—	60,235	—	—	—	—	—	—	—	—	60,235
Charges for services	79,785	3,896,684	933,014	277,280	—	624,364	201,876	—	—	—	6,013,003
Intergovernmental	—	495,015	3,211,283	—	—	1,426,315	736,739	573,950	4,043,713	—	10,487,015
Other	2,803	43,137	21,508	15,005	1,550,377	299,493	—	—	—	—	1,932,323
<b>Total revenues</b>	<b>1,086,582</b>	<b>9,058,716</b>	<b>7,276,885</b>	<b>8,755,958</b>	<b>4,792,071</b>	<b>3,153,668</b>	<b>8,204,920</b>	<b>574,317</b>	<b>4,043,713</b>	<b>1,450,731</b>	<b>48,397,561</b>
<b>Expenditures:</b>											
<b>Current:</b>											
Public works	—	—	—	9,951,618	—	13,204	—	—	—	3,425,215	13,390,037
Public safety	—	—	—	—	—	535,317	7,793,211	—	—	—	8,328,528
Parks and recreation	802,787	10,602,805	—	—	3,421,394	295,956	—	—	—	—	15,122,942
Planning and development	—	—	—	—	—	449,175	—	—	—	—	449,175
Public health	—	—	7,422,416	—	—	7,272	—	556,219	—	—	7,985,907
General government	19,666	255,630	64,083	—	—	1,192,591	4,514	—	4,043,713	—	5,580,197
<b>Total expenditures</b>	<b>822,453</b>	<b>10,858,435</b>	<b>7,486,499</b>	<b>9,951,618</b>	<b>3,421,394</b>	<b>2,493,515</b>	<b>7,797,725</b>	<b>556,219</b>	<b>4,043,713</b>	<b>3,425,215</b>	<b>50,856,786</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>264,129</b>	<b>(1,799,719)</b>	<b>(209,614)</b>	<b>(1,195,660)</b>	<b>1,370,677</b>	<b>660,153</b>	<b>407,195</b>	<b>18,098</b>	<b>—</b>	<b>(1,974,484)</b>	<b>(2,459,225)</b>
<b>Other financing sources (uses):</b>											
Transfers in	977,321	3,074,472	200,000	1,032,350	—	31,430	42,444	—	—	—	5,358,017
Transfers out	—	(591,616)	(41,000)	(1,063,366)	(1,139,538)	(437,543)	(1,781,666)	(12,000)	—	—	(5,066,729)
<b>Total other financing sources (uses)</b>	<b>977,321</b>	<b>2,482,856</b>	<b>159,000</b>	<b>(31,016)</b>	<b>(1,139,538)</b>	<b>(406,113)</b>	<b>(1,739,222)</b>	<b>(12,000)</b>	<b>—</b>	<b>—</b>	<b>291,288</b>
<b>Net change in fund balance</b>	<b>1,241,450</b>	<b>683,137</b>	<b>(50,614)</b>	<b>(1,226,676)</b>	<b>231,139</b>	<b>254,040</b>	<b>(1,332,027)</b>	<b>6,098</b>	<b>—</b>	<b>(1,974,484)</b>	<b>(2,167,937)</b>
<b>Fund balance, beginning of year</b>	<b>1,527,529</b>	<b>(518,641)</b>	<b>65,460</b>	<b>6,392,565</b>	<b>505,598</b>	<b>2,811,981</b>	<b>3,230,236</b>	<b>—</b>	<b>—</b>	<b>2,503,586</b>	<b>16,518,314</b>
<b>Fund balance, end of year</b>	<b>\$ 2,768,979</b>	<b>164,496</b>	<b>14,846</b>	<b>5,165,889</b>	<b>736,737</b>	<b>3,066,021</b>	<b>1,898,209</b>	<b>6,098</b>	<b>—</b>	<b>529,102</b>	<b>14,350,377</b>

See accompanying independent auditors' report.



**CITY OF SPRINGFIELD, MISSOURI**

Budgetary Comparison Schedule—Art Museum Special Revenue Fund

Year ended June 30, 2006

	<u>Original and final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget— positive (negative)</u>
Revenues:				
Property taxes	\$ 881,902	881,902	953,692	71,790
Interest	10,500	10,500	50,302	39,802
Rent	1,000	1,000	—	(1,000)
Charges for current services	31,000	31,000	79,785	48,785
Other	25,298	25,298	2,803	(22,495)
Total revenues	<u>949,700</u>	<u>949,700</u>	<u>1,086,582</u>	<u>136,882</u>
Expenditures:				
Parks and recreation	964,386	2,964,386	802,787	161,599
General government	15,259	15,259	19,666	(4,407)
Total expenditures	<u>979,645</u>	<u>2,979,645</u>	<u>822,453</u>	<u>157,192</u>
Excess (deficiency) of revenues over expenditures	<u>(29,945)</u>	<u>(2,029,945)</u>	<u>264,129</u>	<u>294,074</u>
Other financing sources:				
Transfers in	<u>—</u>	<u>—</u>	<u>977,321</u>	<u>977,321</u>
Net change in fund balance	<u>(29,945)</u>	<u>(2,029,945)</u>	<u>1,241,450</u>	<u>3,271,395</u>
Fund balances—beginning	<u>1,527,529</u>	<u>1,527,529</u>	<u>1,527,529</u>	<u>—</u>
Fund balances—end	<u>\$ 1,497,584</u>	<u>(502,416)</u>	<u>2,768,979</u>	<u>3,271,395</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Public Parks Special Revenue Fund

Year ended June 30, 2006

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget— positive (negative)</b>
Revenues:				
Property taxes	\$ 4,194,850	4,194,850	4,558,010	363,160
Interest	786	786	5,636	4,850
Rent	54,400	54,400	60,235	5,835
Charges for current services	3,715,945	3,597,945	3,896,684	298,739
Intergovernmental	30,944	537,854	495,015	(42,839)
Other	203,500	331,500	43,136	(288,364)
Total revenues	<u>8,200,425</u>	<u>8,717,335</u>	<u>9,058,716</u>	<u>341,381</u>
Expenditures:				
Parks and recreation	10,648,111	11,165,021	10,602,805	562,216
General government	—	—	255,630	(255,630)
Total expenditures	<u>10,648,111</u>	<u>11,165,021</u>	<u>10,858,435</u>	<u>306,586</u>
Deficiency of revenues under expenditures	<u>(2,447,686)</u>	<u>(2,447,686)</u>	<u>(1,799,719)</u>	<u>647,967</u>
Other financing sources (uses):				
Transfers in	2,725,336	2,725,336	3,074,472	349,136
Transfers out	<u>(478,642)</u>	<u>(478,642)</u>	<u>(591,616)</u>	<u>(112,974)</u>
Total other financing sources	<u>2,246,694</u>	<u>2,246,694</u>	<u>2,482,856</u>	<u>236,162</u>
Net change in fund balance	<u>(200,992)</u>	<u>(200,992)</u>	<u>683,137</u>	<u>884,129</u>
Fund balances—beginning	<u>(518,641)</u>	<u>(518,641)</u>	<u>(518,641)</u>	<u>—</u>
Fund balances—end	<u>\$ (719,633)</u>	<u>(719,633)</u>	<u>164,496</u>	<u>884,129</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Public Health Services Special Revenue Fund

Year ended June 30, 2006

	Original budget	Final budget	Actual	Variance with final budget— positive (negative)
Revenues:				
Property taxes	\$ 2,794,474	2,839,568	3,111,080	271,512
Charges for current services	818,094	872,000	933,014	61,014
Intergovernmental	3,840,646	3,845,146	3,211,283	(633,863)
Other	92,100	87,600	21,508	(66,092)
Total revenues	<u>7,545,314</u>	<u>7,644,314</u>	<u>7,276,885</u>	<u>(367,429)</u>
Expenditures:				
Public health	8,746,756	8,804,755	7,422,416	1,382,339
General government	—	—	64,083	(64,083)
Total expenditures	<u>8,746,756</u>	<u>8,804,755</u>	<u>7,486,499</u>	<u>1,318,256</u>
Deficiency of revenues under expenditures	<u>(1,201,442)</u>	<u>(1,160,441)</u>	<u>(209,614)</u>	<u>950,827</u>
Other financing sources:				
Transfers in	1,060,604	1,060,604	200,000	860,604
Transfers out	—	—	(41,000)	41,000
Net change in fund balance	<u>1,060,604</u>	<u>1,060,604</u>	<u>159,000</u>	<u>(901,604)</u>
Net change in fund balance	(140,838)	(99,837)	(50,614)	49,223
Fund balances—beginning	65,460	65,460	65,460	—
Fund balances—end	<u>\$ (75,378)</u>	<u>(34,377)</u>	<u>14,846</u>	<u>49,223</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Public Works Transportation Special Revenue Fund

Year ended June 30, 2006

	Original budget	Final budget	Actual	Variance with final budget— positive (negative)
Revenues:				
Sales taxes	\$ 8,400,000	8,400,000	8,463,673	63,673
Charges for current services	489,550	489,550	277,280	(212,270)
Other	—	1,350	15,005	13,655
Total revenues	8,889,550	8,890,900	8,755,958	(134,942)
Expenditures:				
Public works	11,819,340	11,830,090	9,951,618	1,878,472
Excess (deficiency) of revenues over expenditures	(2,929,790)	(2,939,190)	(1,195,660)	1,743,530
Other financing sources (uses):				
Transfers in	1,035,450	1,037,350	1,032,350	5,000
Transfers out	—	(1,138,090)	(1,063,366)	74,724
Total other financing sources	1,035,450	(100,740)	(31,016)	69,724
Net change in fund balance	(1,894,340)	(3,039,930)	(1,226,676)	1,813,254
Fund balances—beginning	6,392,565	6,392,565	6,392,565	—
Fund balances—end	\$ 4,498,225	3,352,635	5,165,889	1,813,254

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Tourism/Convention Promotion Special Revenue Fund

Year ended June 30, 2006

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget— positive (negative)</u>
Revenues:				
Rooms taxes	\$ 2,916,000	2,916,000	3,215,623	299,623
Interest	4,800	100	26,071	25,971
Other	<u>1,297,415</u>	<u>1,303,965</u>	<u>1,550,377</u>	<u>246,412</u>
Total revenues	<u>4,218,215</u>	<u>4,220,065</u>	<u>4,792,071</u>	<u>572,006</u>
Expenditures:				
Parks and recreation	<u>4,919,096</u>	<u>5,018,446</u>	<u>3,421,394</u>	<u>1,597,052</u>
Excess of revenues over expenditures	(700,881)	(798,381)	1,370,677	2,169,058
Other financing sources (uses):				
Transfers out	<u>—</u>	<u>—</u>	<u>(1,139,538)</u>	<u>(1,139,538)</u>
Net change in fund balance	(700,881)	(798,381)	231,139	1,029,520
Fund balances—beginning	<u>505,598</u>	<u>505,598</u>	<u>505,598</u>	<u>—</u>
Fund balances—end	<u>\$ (195,283)</u>	<u>(292,783)</u>	<u>736,737</u>	<u>1,029,520</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Miscellaneous Special Revenue Fund

Year ended June 30, 2006

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget— positive (negative)</u>
Revenues:				
Sales taxes	\$ 700,000	700,000	757,221	57,221
Interest	—	—	46,275	46,275
Charges for current services	10,000	10,000	624,364	614,364
Intergovernmental	1,178,155	1,963,362	1,426,315	(537,047)
Other	405,000	429,620	299,493	(130,127)
Total revenues	<u>2,293,155</u>	<u>3,102,982</u>	<u>3,153,668</u>	<u>50,686</u>
Expenditures:				
Public works	—	—	13,204	(13,204)
Public safety	824,178	1,029,487	535,317	494,170
Parks and recreation	139,517	164,993	295,956	(130,963)
Planning and development	688,968	1,023,367	449,175	574,192
Public health	62,188	62,188	7,272	54,916
General government	1,202,274	1,271,044	1,192,591	78,453
Total expenditures	<u>2,917,125</u>	<u>3,551,079</u>	<u>2,493,515</u>	<u>1,057,564</u>
Excess (deficiency) of revenues over expenditures	(623,970)	(448,097)	660,153	1,108,250
Other financing services (uses):				
Transfers in	171,294	413,273	31,430	(381,843)
Transfers out	(856,555)	(856,555)	(437,543)	419,012
Total other financing uses	<u>(685,261)</u>	<u>(443,282)</u>	<u>(406,113)</u>	<u>37,169</u>
Net change in fund balance	(1,309,231)	(891,379)	254,040	1,145,419
Fund balances—beginning	<u>2,811,981</u>	<u>2,811,981</u>	<u>2,811,981</u>	<u>—</u>
Fund balances—end	<u>\$ 1,502,750</u>	<u>1,920,602</u>	<u>3,066,021</u>	<u>1,145,419</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Budgetary Comparison Schedule—Law Enforcement Special Revenue Fund

Year ended June 30, 2006

	Original budget	Final budget	Actual	Variance with final budget— positive (negative)
Revenues:				
Sales taxes	\$ 6,500,000	6,500,000	7,171,159	671,159
Intergovernmental	1,249,030	1,077,936	736,739	(341,197)
Revenues for use of money—interest	75,000	75,000	95,146	20,146
Charges for current services	525,000	400,000	201,876	(198,124)
Total revenues	<u>8,349,030</u>	<u>8,052,936</u>	<u>8,204,920</u>	<u>151,984</u>
Expenditures:				
Public safety	8,581,347	8,578,632	7,793,211	785,421
General government	—	—	4,514	(4,514)
Total expenditures	<u>8,581,347</u>	<u>8,578,632</u>	<u>7,797,725</u>	<u>780,907</u>
Excess (deficiency) of revenues over expenditures	<u>(232,317)</u>	<u>(525,696)</u>	<u>407,195</u>	<u>932,891</u>
Other financing sources:				
Capital lease proceeds				—
Transfers in	246,029	76,957	42,444	(34,513)
Transfers out	(1,922,473)	(1,922,473)	(1,781,666)	140,807
Total other financing uses	<u>(1,676,444)</u>	<u>(1,845,516)</u>	<u>(1,739,222)</u>	<u>106,294</u>
Net change in fund balance	(1,908,761)	(2,371,212)	(1,332,027)	1,039,185
Fund balances—beginning	3,230,236	3,230,236	3,230,236	—
Fund balances—end	<u>\$ 1,321,475</u>	<u>859,024</u>	<u>1,898,209</u>	<u>1,039,185</u>

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**  
**Budgetary Comparison Schedule—WIC Program Special Revenue Fund**  
Year ended June 30, 2006

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget— positive (negative)</b>
Revenues:				
Intergovernmental	\$ 518,778	626,365	573,950	(52,415)
Revenues from use of money—interest	—	—	367	367
Total revenues	<u>518,778</u>	<u>626,365</u>	<u>574,317</u>	<u>(52,048)</u>
Expenditures:				
Public health	<u>726,368</u>	<u>833,955</u>	<u>556,219</u>	<u>277,736</u>
Excess (deficiency) of revenues over expenditures	<u>(207,590)</u>	<u>(207,590)</u>	<u>18,098</u>	<u>225,688</u>
Other financing sources:				
Transfers out	<u>—</u>	<u>—</u>	<u>(12,000)</u>	<u>(12,000)</u>
Net change in fund balance	<u>(207,590)</u>	<u>(207,590)</u>	<u>6,098</u>	<u>213,688</u>
Fund balances—beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances—end	<u><u>\$ (207,590)</u></u>	<u><u>(207,590)</u></u>	<u><u>6,098</u></u>	<u><u>213,688</u></u>

See accompanying independent auditors' report.



# **CITY OF SPRINGFIELD, MISSOURI**

## **Budgetary Comparison Schedule—Workforce Development Special Revenue Fund**

Year ended June 30, 2006

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget— positive (negative)</b>
Revenues:				
Intergovernmental	\$ 2,932,391	3,257,767	4,043,713	785,946
Expenditures:				
General government	3,777,786	4,086,645	4,043,713	42,932
Deficiency of revenues over expenditures	(845,395)	(828,878)	—	828,878
Fund balances—beginning	—	—	—	—
Fund balances—end	\$ (845,395)	(828,878)	—	828,878

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**

**Budgetary Comparison Schedule—Road and Bridge Maintenance Special Revenue Fund**

Year ended June 30, 2006

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget— positive (negative)</u>
Revenues:				
Property taxes	\$ 1,350,000	1,350,000	1,408,633	58,633
Interest	25,000	25,000	42,098	17,098
Total revenues	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,450,731</u>	<u>75,731</u>
Expenditures:				
Public works	<u>3,575,762</u>	<u>4,016,925</u>	<u>3,425,215</u>	<u>591,710</u>
Excess (deficiency) of revenues over expenditures	(2,200,762)	(2,641,925)	(1,974,484)	667,441
Fund balances—beginning	<u>2,503,586</u>	<u>2,503,586</u>	<u>2,503,586</u>	<u>—</u>
Fund balances—end	<u>\$ 302,824</u>	<u>(138,339)</u>	<u>529,102</u>	<u>667,441</u>

See accompanying independent auditors' report.

## **Nonmajor Governmental Funds**

### **Debt Service Funds**

**Jordan Valley Park PBC**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the Public Building Corporation bonds issued on behalf of the Jordan Valley Park and the Springfield Recreational Ice Project. The Park will be owned by the City and operated by its Park Board.

**Highway Transportation Issue**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the bonds used for street and intersection improvements.

**LEST Radios**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the certificates of participation issued for the 800 Megahertz Trunked Radio System Project.

**General Obligation Issues**—This fund accounts for the debt service and refunding transactions on an \$18,740,000 bond issue, which provided for the refunding of a majority of the City's general obligation and special assessment debt in fiscal year 1994. This fund also accounts for \$10,300,000 in 1995 general obligation bonds issued for the construction of two fire stations, improvements to the fairgrounds grandstand, and storm water improvements. In addition, the fund accounts for the nonrefunded portion of the City's 1987 and 1989 special assessment bond issues and 1985 Storm Sewer Issue. Debt service on these issues is funded by general property taxes and transfers from the Sanitary Sewerage System and Special Assessment Issues Funds.

**Special Assessment Issues**—This fund accounts for the combined activity in the various special assessment districts established from the City's 1980, 1987, and 1989 special assessment bond issues, as well as for the City's neighborhood improvement districts. Proceeds from debt issuances are used to construct sanitary sewer districts and neighborhood improvement projects, with the cost of these improvements billed to the benefited property owners upon completion. Proceeds from these special tax bills are then used for debt service purposes.

**Busch Building/ERP System**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the bond issues related to the Busch Building Issue and the certificates of participation issued for the ERP System Project. Debt service for the Busch Building Issue is funded by rental charges transferred from various City departments.

**1992/1995 Parks Issue**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the Public Building Corporation bonds used for the Cooper Park Indoor Tennis Facility and park improvements at Cooper Park, Killian Park, and Dickerson Park Zoo. Debt service for this issue is funded by transfers from the Public Parks Fund.

**2001 PIC West**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the certificates of participation issued for the Partnership Industrial Center West Project.

**2001 Parks PBC**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on the certificates of participation issued for the Springfield/Greene County Park Board Land Acquisition and Development Project.

**SBD Loan Program**—This debt service fund accounts for the resources accumulated and payments made for principal and interest on loans that provide funding for small business developments in the community.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2006

	Jordan Valley Park PBC	Highway Transportation	LEST Radios	General Obligation Issues	Special Assessments	Busch Building/ ERP System	1992/1995/2005 Parks Issue	2001 PIC West	2001 Parks PBC	SBD Loan Program	Total
<b>Assets</b>											
Cash and cash equivalents	65,210	2,277,581	114,431	9,470,375	4,805,875	124,071	14,469	—	34,430	—	16,906,442
Accrued interest receivable	7,982	—	—	40,394	57,627	1,146	75	—	—	—	107,224
Special assessments receivable	—	—	—	—	4,631,221	—	—	—	—	—	4,631,221
Property taxes receivable:											
Current	—	—	—	6,303,513	—	—	—	—	—	—	6,303,513
Delinquent	—	—	—	273,102	—	—	—	—	—	—	273,102
Less allowance for uncollectible amounts	—	—	—	6,576,615	—	—	—	—	—	—	6,576,615
Net property taxes receivable	—	—	—	(26,072)	—	—	—	—	—	—	(26,072)
Restricted cash and cash equivalents	6,801,086	—	—	6,550,543	—	—	—	—	—	—	6,550,543
Accounts receivable	44,612	—	1,185,380	6,302,347	—	638,808	219,870	420,523	216	538,201	16,106,631
<b>Total assets</b>	<b>6,918,890</b>	<b>2,277,581</b>	<b>1,300,011</b>	<b>22,363,659</b>	<b>9,559,412</b>	<b>764,025</b>	<b>234,414</b>	<b>420,523</b>	<b>34,646</b>	<b>538,201</b>	<b>44,411,362</b>
<b>Liabilities</b>											
Accounts payable	60,364	46,912	—	—	402	—	—	—	—	—	107,678
Accrued interest payable	17,230	—	6,610	—	4	1,252	5	—	12,044	1,188	38,333
Deferred revenue	—	—	—	6,102,786	4,631,221	—	—	—	—	—	10,734,007
<b>Total liabilities</b>	<b>77,594</b>	<b>46,912</b>	<b>6,610</b>	<b>6,102,786</b>	<b>4,631,627</b>	<b>1,252</b>	<b>5</b>	<b>—</b>	<b>12,044</b>	<b>1,188</b>	<b>10,880,018</b>
<b>Fund Balance</b>											
Reserved for debt service	6,801,086	—	1,185,380	6,302,347	—	638,808	219,870	420,523	216	538,201	16,106,631
Unreserved, undesignated	40,210	2,230,669	107,821	9,958,526	4,927,785	123,965	14,539	—	22,386	(1,188)	17,424,713
<b>Total fund balance</b>	<b>6,841,296</b>	<b>2,230,669</b>	<b>1,293,401</b>	<b>16,260,873</b>	<b>4,927,785</b>	<b>762,773</b>	<b>234,409</b>	<b>420,523</b>	<b>22,602</b>	<b>537,013</b>	<b>33,531,344</b>
<b>Total liabilities and fund balance</b>	<b>6,918,890</b>	<b>2,277,581</b>	<b>1,300,011</b>	<b>22,363,659</b>	<b>9,559,412</b>	<b>764,025</b>	<b>234,414</b>	<b>420,523</b>	<b>34,646</b>	<b>538,201</b>	<b>44,411,362</b>

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

Year ended June 30, 2006

	Jordan Valley Park PBC	Highway Transportation	LEST Ratios	General Obligation Issues	Special Assessments	Busch Building/ ERP System	1992/1995/2005 Parks Issues	2001 PIC West	2001 Parks PBC	SBD Loan Program	Total
<b>Revenues:</b>											
Property taxes	—	—	—	6,536,817	—	—	—	—	—	—	6,536,817
Interest	229,901	165,070	11,966	393,364	210,456	10,628	13,682	17,353	—	—	1,052,420
Special assessments	—	—	—	—	2,331,634	—	—	—	—	—	2,331,634
Other	876,595	—	—	—	—	—	—	—	—	—	876,595
<b>Total revenues</b>	<b>1,106,496</b>	<b>165,070</b>	<b>11,966</b>	<b>6,930,181</b>	<b>2,542,090</b>	<b>10,628</b>	<b>13,682</b>	<b>17,353</b>	<b>—</b>	<b>—</b>	<b>10,797,466</b>
<b>Expenditures:</b>											
Debt service:											
Principal	770,000	5,405,278	1,050,884	2,850,977	560,000	950,000	459,640	465,000	3,895,000	225,000	16,631,779
Interest and other charges	3,565,497	425,228	613,088	3,965,201	434,375	246,457	182,401	151,861	337,439	179,197	10,100,744
<b>Total expenditures</b>	<b>4,335,497</b>	<b>5,830,506</b>	<b>1,663,972</b>	<b>6,816,178</b>	<b>994,375</b>	<b>1,196,457</b>	<b>642,041</b>	<b>616,861</b>	<b>4,232,439</b>	<b>404,197</b>	<b>26,732,523</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,229,001)</b>	<b>(5,665,436)</b>	<b>(1,652,006)</b>	<b>114,003</b>	<b>1,547,715</b>	<b>(1,185,829)</b>	<b>(628,359)</b>	<b>(599,508)</b>	<b>(4,232,439)</b>	<b>(404,197)</b>	<b>(15,935,057)</b>
<b>Other financing sources (uses):</b>											
Issuance of debt	—	—	—	705,000	52,914	—	300,000	—	—	—	1,057,914
Bond premium (discount)	2,443,039	—	—	(66,147)	—	—	(27,259)	—	—	—	(93,406)
Transfers in	(1,246,241)	—	1,764,781	3,185	46,775	1,206,424	591,616	324,173	4,187,493	387,463	10,954,949
Transfers out	—	(235,226)	—	(325,436)	—	—	(8,592)	—	—	—	(1,815,495)
<b>Total other financing sources (uses)</b>	<b>1,196,798</b>	<b>(235,226)</b>	<b>1,764,781</b>	<b>316,602</b>	<b>99,689</b>	<b>1,206,424</b>	<b>855,765</b>	<b>324,173</b>	<b>4,187,493</b>	<b>387,463</b>	<b>10,103,962</b>
<b>Net change in fund balance</b>	<b>(2,032,203)</b>	<b>(5,900,662)</b>	<b>112,775</b>	<b>430,605</b>	<b>1,647,404</b>	<b>20,595</b>	<b>227,406</b>	<b>(275,335)</b>	<b>(44,946)</b>	<b>(16,734)</b>	<b>(5,831,095)</b>
<b>Fund balance, beginning of year</b>	<b>8,873,499</b>	<b>8,131,331</b>	<b>1,180,626</b>	<b>15,830,268</b>	<b>3,280,381</b>	<b>742,178</b>	<b>7,003</b>	<b>695,858</b>	<b>67,548</b>	<b>553,747</b>	<b>39,362,439</b>
<b>Fund balance, end of year</b>	<b>6,841,296</b>	<b>2,230,669</b>	<b>1,293,401</b>	<b>16,260,873</b>	<b>4,927,785</b>	<b>762,773</b>	<b>234,409</b>	<b>420,523</b>	<b>22,602</b>	<b>537,013</b>	<b>33,531,344</b>

See accompanying independent auditors' report.

## **Nonmajor Governmental Funds**

### **Capital Projects Funds**

**Transportation Sales Tax**—This fund accounts for the proceeds of the City's one-eighth cent transportation sales tax, which was approved by voters in November 1996 and took effect April 1, 1997. Proceeds are dedicated to construction of improvements to state highways located within the City of Springfield under the authority of the State Highway Improvement Corporation. Through voter approval, this four-year tax was renewed on April 1, 2001, and the proceeds for highway improvements are disbursed at the discretion of the City and are not under the authority of the Corporation.

**Public Parks Improvement**—This fund accounts for construction of an indoor tennis facility at Cooper Park and a large park area in central Springfield. Also included in this fund are construction costs for several greenway trails and linear park projects in the southwestern part of the City. The Cooper Tennis Facility is funded by donations from both the Cooper family and other private citizens, contributions by the City, and proceeds of a \$1,265,000 bond issue. The greenway trails are funded by proceeds from the sale of City-owned property, designated by City Council for use in completion of this project, and by federal grants and other City matching contributions.

**Public Works Improvement**—This fund accounts for various public works improvement projects constructed from various federal and state grants and other revenues. This fund also accounts for the City's joint venture expenditures related to the development of an industrial park.

**Capital Improvements Sales Tax**—This fund accounts for the proceeds of the City's one-quarter cent capital improvements sales tax, which was initially approved by voters in August 1989, and first went into effect October 1, 1989. Voters approved three-year extensions of this sales tax in 1992, 1995, 1998, and 2001. The tax will expire September 30, 2004 unless extended for an additional three years by popular vote. Proceeds are used to construct various capital improvement projects throughout the City.

**Community Improvement Projects**—This fund accounts for the City's developer agreements and other improvements. Under terms of these developer agreements, up to 50% of the incremental increases, if any, in one-cent general sales tax revenues generated by businesses developed in specified areas are utilized to reimburse the cost of necessary public improvements made and paid for by developers.

**Property Tax Projects**—This fund accounts for the City's capital improvement projects funded by property tax revenues.

**Sanitary and Storm Sewer Projects**—This fund accounts for the City's sanitary and storm sewer construction projects. Funding for these projects come from the proceeds of four \$3 million special assessment bond issues.

**Miscellaneous Capital Projects**—These funds account for the City's LEST Radios Bond Issue 2000 and 2004 and the proceeds of the capital leases. Construction of an 800 Megahertz Trunked Radio System to provide improved law enforcement and public safety communications that will allow for encryption of messages and facilitate in-building coverage. This project is a combined effort between the City of Springfield, City Utilities, and Greene County. The capital lease proceeds are used to finance various equipment purchases and capital improvement projects.

**Tourism Tax Community Improvement**—This fund accounts for the proceeds of the tourism (hotel/motel) tax approved by the citizens of Springfield on February 3, 1998, which are to be used to finance community improvements for a Civic Park, the American National Fish and Wildlife Living Museum and Aquarium, a Recreational Ice Complex, Dickerson Park Zoo, and not-for-profit local attractions such as Discovery Center and Gillioz and Landers Theaters.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2006

Assets	Transportation Sales Tax	Public Parks Improvement	Public Works Improvement	Capital Improvement Sales Tax	Community Improvement Projects	Property Tax Projects	Sanitary and Storm Sewer Projects	Miscellaneous Capital Projects	Tourism Tax Community Improvement	Total
Cash and cash equivalents	\$ 10,027,410	10,409,142	—	17,018,546	415,479	5,465,866	5,989,656	—	—	49,326,099
Accrued interest receivable	66,435	79,343	—	116,816	4,128	6,848	17,543	—	—	291,113
Accounts receivable	431,998	902,790	102,522	1,048,438	—	—	—	377,289	8,605	2,871,642
Due from other funds	—	—	—	—	—	—	—	30,000	—	30,000
Due from other governments	—	65,603	1,531,069	—	2,976,074	—	—	—	—	4,572,746
Total assets	\$ 10,525,843	11,456,878	1,633,591	18,183,800	3,395,681	5,472,714	6,007,199	407,289	8,605	57,091,600
Liabilities										
Due to other funds	\$ —	—	1,132,118	—	—	—	—	983,443	931,533	3,047,094
Accounts payable	293,395	823,482	192,148	739,530	—	12,826	579,226	1,852	—	2,642,459
Retainages payable	—	—	23,201	415,472	—	90,272	138,094	—	245,709	932,748
Due to other governments	—	—	272,607	—	—	—	—	—	—	272,607
Unearned revenue	431,998	902,790	—	863,996	—	—	—	—	—	2,198,784
Deferred revenue	—	—	—	—	2,975,474	—	—	476,832	—	3,452,306
Total liabilities	725,393	1,726,272	1,620,074	2,018,998	2,975,474	103,098	737,320	1,462,127	1,177,242	12,545,998
Fund Balance										
Reserved for encumbrances	—	1,350,031	—	7,855,443	19,400	797,930	2,450,616	1,600	314,563	12,789,583
Unreserved, undesignated	9,800,450	8,380,575	13,517	8,309,359	400,807	4,571,686	2,819,263	(1,056,438)	(1,483,200)	31,756,019
Total fund balance	9,800,450	9,730,606	13,517	16,164,802	420,207	5,369,616	5,269,879	(1,054,838)	(1,168,637)	44,545,602
Total liabilities and fund balance	\$ 10,525,843	11,456,878	1,633,591	18,183,800	3,395,681	5,472,714	6,007,199	407,289	8,605	57,091,600

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year ended June 30, 2006

	Transportation Sales Tax	Public Parks Improvement	Public Works Improvement	Capital Improvement Sales Tax	Community Improvement Projects	Property Tax Projects	Sanitary and Storm Sewer Projects	Miscellaneous Capital Projects	Tourism Tax Community Improvement	Total
Revenues:										
Sales taxes	\$ 4,734,592	9,975,740	—	9,469,590	—	—	—	—	681,853	24,861,775
Property taxes	135,360	376,644	—	—	145,770	—	—	—	158,107	303,877
Interest	—	302,215	—	383,819	19,650	295,326	195,782	29,531	84,647	1,520,759
Intergovernmental	—	2,124,417	898,627	—	600	—	—	—	—	1,201,442
Other	—	—	208,858	—	278,651	120,205	13,350	16,688	—	4,041,055
Total revenues	4,869,952	12,779,016	1,107,485	9,853,409	444,671	415,531	209,132	46,219	2,203,493	31,928,908
Expenditures:										
Capital outlay:										
Public works	965,851	—	2,325,645	9,628,018	—	2,433,501	3,101,638	—	—	18,454,653
Public safety	—	—	—	—	—	442,304	1,475,189	—	—	1,917,493
Parks and recreation	—	10,295,006	—	305,729	1,500,165	1,297,450	—	2,200	2,081,844	15,482,394
Planning and development	—	—	—	588,876	—	—	—	—	7,437	596,313
General government	—	3,333	—	97,383	1,453	983	44,093	1,881	1,470	150,596
Total expenditures	965,851	10,298,339	2,325,645	10,620,006	1,501,618	4,174,238	4,620,920	4,081	2,090,751	36,601,449
Excess (deficiency) of revenues over expenditures	3,904,101	2,480,677	(1,218,160)	(766,597)	(1,056,947)	(3,758,707)	(4,411,788)	42,138	112,742	(4,672,541)
Other financing sources (uses):										
Bond proceeds	—	2,500,000	—	5,000,000	—	—	3,947,086	—	—	11,447,086
Bond premium/discount	235,226	—	—	—	—	—	12,252	—	—	12,252
Transfers in	—	99,132	1,618,054	114,261	482,000	49,513	40,527	403,000	368,863	3,412,576
Transfers out	—	(5,047,165)	(102,522)	(481,305)	—	—	(4,575)	(46,735)	(826,793)	(6,509,135)
Total other financing sources (uses)	235,226	(2,448,033)	1,515,532	4,632,956	482,000	49,513	3,995,290	358,225	(457,930)	8,362,779
Net change in fund balance	4,139,327	32,644	297,372	3,866,359	(574,947)	(3,709,194)	(416,498)	400,363	(345,188)	3,690,238
Fund balance, beginning of year	5,661,123	9,697,962	(283,855)	12,298,443	995,154	9,078,810	5,686,377	(1,455,201)	(823,449)	40,855,364
Fund balance, end of year	\$ 9,800,450	9,730,606	13,517	16,164,802	420,207	5,369,616	5,269,879	(1,054,838)	(1,168,637)	44,545,602

See accompanying independent auditors' report.



## **Nonmajor Governmental Funds**

### **Permanent Funds**

**Perpetual Care**—The Perpetual Care Fund was established to account for the activities of maintaining the City-owned cemetery.

**Art Museum**—This fund accounts for donations and gifts from third parties whose contributions are designated for the art museum and any moneys or other property transferred to the City by the Springfield Art Museum board of directors.

**CITY OF SPRINGFIELD, MISSOURI****Combining Balance Sheet****Nonmajor Permanent Funds**

June 30, 2006

<b>Assets</b>	<b>Perpetual Care</b>	<b>Art Museum</b>	<b>Total</b>
Cash and cash equivalents	\$ 1,027,961	—	1,027,961
Accrued interest receivable	8,004	—	8,004
Total assets	<u>\$ 1,035,965</u>	<u>—</u>	<u>1,035,965</u>
<b>Liabilities</b>			
Accounts payable	\$ —	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund Balance</b>			
Restricted – nonexpendable	964,003	—	964,003
Unreserved, undesignated	71,962	—	71,962
Total liabilities and fund balance	<u>\$ 1,035,965</u>	<u>—</u>	<u>1,035,965</u>

See accompanying independent auditors' report.

# CITY OF SPRINGFIELD, MISSOURI

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Permanent Funds

Year ended June 30, 2006

	<u>Perpetual Care</u>	<u>Art Museum</u>	<u>Total</u>
Revenues:			
Interest	\$ 31,039	29,559	60,598
Perpetual care	46,193	—	46,193
Contributions	—	277,748	277,748
Total revenues	<u>77,232</u>	<u>307,307</u>	<u>384,539</u>
Expenditures:			
Current:			
Parks and recreation	<u>—</u>	<u>1,000</u>	<u>1,000</u>
Excess of revenues over expenditures	77,232	306,307	383,539
Other financing uses – transfer out	<u>—</u>	<u>(977,321)</u>	<u>(977,321)</u>
Net change in fund balance	77,232	(671,014)	(593,782)
Fund balance, beginning of year	<u>958,733</u>	<u>671,014</u>	<u>1,629,747</u>
Fund balance, end of year	<u>\$ 1,035,965</u>	<u>—</u>	<u>1,035,965</u>

See accompanying independent auditors' report.

## **Internal Service Funds**

**Service Center**—This fund accounts for the operations of the City's central garage. Revenues are generated almost exclusively from billings to other City departments.

**Print Shop**—This fund accounts for the operations of the City's print shop. Revenues are generated almost exclusively from billings to other City departments.

**Self-Insurance**—The Self-Insurance Fund was established to account for the City's employee medical and workers' compensation insurance programs. All contributions, both City and employee, are held by this fund to pay medical expenses of the participants, as well as medical and indemnity claims related to workers' compensation.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

<b>Assets</b>	<b>Service Center</b>	<b>Print Shop</b>	<b>Self- Insurance</b>	<b>Total</b>
Current assets:				
Cash and cash equivalents	\$ 200,469	—	—	200,469
Inventories	284,290	36,727	—	321,017
Accounts receivable	—	—	—	—
Accrued interest receivable	1,629	—	27,513	29,142
Total current assets	<u>486,388</u>	<u>36,727</u>	<u>27,513</u>	<u>550,628</u>
Capital assets:				
Land	23,614	—	—	23,614
Buildings	1,058,097	—	—	1,058,097
Improvements other than buildings	314,086	—	—	314,086
Machinery and equipment	244,936	40,661	—	285,597
	<u>1,640,733</u>	<u>40,661</u>	<u>—</u>	<u>1,681,394</u>
Less accumulated depreciation	<u>(1,017,326)</u>	<u>(25,586)</u>	<u>—</u>	<u>(1,042,912)</u>
Total capital assets (net of accumulated depreciation)	<u>623,407</u>	<u>15,075</u>	<u>—</u>	<u>638,482</u>
Total assets	<u>1,109,795</u>	<u>51,802</u>	<u>27,513</u>	<u>1,189,110</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	220,252	3,195	81,029	304,476
Accrued compensated absences and other accrued costs	25,198	2,876	6,343	34,417
Due to other funds	30,000	264,191	45,412	339,603
Estimated liability for incurred but unreported claims	—	—	4,083,000	4,083,000
Total current liabilities	<u>275,450</u>	<u>270,262</u>	<u>4,215,784</u>	<u>4,761,496</u>
Long-term debt, less current maturities:				
Accrued compensated absences	<u>68,733</u>	<u>24,862</u>	<u>52,602</u>	<u>146,197</u>
Total liabilities	<u>344,183</u>	<u>295,124</u>	<u>4,268,386</u>	<u>4,907,693</u>
<b>Net Assets</b>				
Net assets:				
Invested in capital assets, net of related debt	623,407	—	—	623,407
Unrestricted	<u>142,205</u>	<u>(243,322)</u>	<u>(4,240,873)</u>	<u>(4,341,990)</u>
Total net assets	<u>\$ 765,612</u>	<u>(243,322)</u>	<u>(4,240,873)</u>	<u>(3,718,583)</u>

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**  
Combining Statement of Revenues, Expenses, and  
Changes in Net Assets  
Internal Service Funds  
Year ended June 30, 2006

	<u>Service Center</u>	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Total</u>
Operating revenues:				
Billings to departments	\$ 3,132,912	212,614	1,223,279	4,568,805
Contributions—City	—	—	6,511,680	6,511,680
Contributions—employees	—	—	3,444,805	3,444,805
Miscellaneous income	4,815	18,171	—	22,986
Total operating revenues	<u>3,137,727</u>	<u>230,785</u>	<u>11,179,764</u>	<u>14,548,276</u>
Operating expenses:				
Cost of materials used:				
Beginning inventory	253,433	30,924	—	284,357
Net purchases	1,830,527	69,168	—	1,899,695
	<u>2,083,960</u>	<u>100,092</u>	<u>—</u>	<u>2,184,052</u>
Ending inventory	(284,290)	(36,727)	—	(321,017)
Total cost of materials used	<u>1,799,670</u>	<u>63,365</u>	<u>—</u>	<u>1,863,035</u>
Other operating expenses:				
Personal services	1,059,405	112,852	292,981	1,465,238
Charges for services	283,814	57,409	12,418,716	12,759,939
Rent	—	23,424	—	23,424
Depreciation	72,659	3,015	—	75,674
Total other operating expenses	<u>1,415,878</u>	<u>196,700</u>	<u>12,711,697</u>	<u>14,324,275</u>
Total operating expenses	<u>3,215,548</u>	<u>260,065</u>	<u>12,711,697</u>	<u>16,187,310</u>
Operating loss	<u>(77,821)</u>	<u>(29,280)</u>	<u>(1,531,933)</u>	<u>(1,639,034)</u>
Nonoperating revenues:				
Other	5,468	—	7,264	12,732
Change in net assets	<u>(72,353)</u>	<u>(29,280)</u>	<u>(1,524,669)</u>	<u>(1,626,302)</u>
Total net assets—beginning	<u>837,965</u>	<u>(214,042)</u>	<u>(2,716,204)</u>	<u>(2,092,281)</u>
Total net assets—ending	<u>\$ 765,612</u>	<u>(243,322)</u>	<u>(4,240,873)</u>	<u>(3,718,583)</u>

See accompanying independent auditors' report.

**CITY OF SPRINGFIELD, MISSOURI**

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2006

	<u>Service Center</u>	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from users	\$ 3,137,727	230,785	11,179,764	14,548,276
Cash paid to suppliers	(2,110,692)	(152,448)	(11,632,721)	(13,895,861)
Cash paid to employees	(1,070,175)	(111,208)	(290,781)	(1,472,164)
Net cash used in operating activities	<u>(43,140)</u>	<u>(32,871)</u>	<u>(743,738)</u>	<u>(819,749)</u>
Cash flows from noncapital financing activities:				
Operating transfers in	—	264,191	45,412	309,603
Operating transfers out	(30,000)	—	—	(30,000)
Net cash provided by noncapital financing activities	<u>(30,000)</u>	<u>264,191</u>	<u>45,412</u>	<u>279,603</u>
Cash flows used in capital and related financing activities:				
Additions to capital assets	—	(18,090)	—	(18,090)
Cash flows provided by investing activities:				
Interest received	5,791	—	2,785	8,576
Net increase (decrease) in cash and cash equivalents	<u>(67,349)</u>	<u>213,230</u>	<u>(695,541)</u>	<u>(549,660)</u>
Cash and cash equivalents, beginning of year	<u>267,818</u>	<u>(213,230)</u>	<u>695,541</u>	<u>750,129</u>
Cash and cash equivalents, end of year	<u>\$ 200,469</u>	<u>—</u>	<u>—</u>	<u>200,469</u>
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating loss	\$ (77,821)	(29,280)	(1,531,933)	(1,639,034)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and amortization	72,659	3,015	—	75,674
Decrease in:				
Inventories	(30,857)	(5,803)	—	(36,660)
Increase (decrease) in:				
Accounts payable	3,649	(2,447)	19,995	21,197
Estimated liability for incurred but unreported claims	—	—	766,000	766,000
Accrued compensated absences	(10,770)	1,644	2,200	(6,926)
Total adjustments	<u>34,681</u>	<u>(3,591)</u>	<u>788,195</u>	<u>819,285</u>
Net cash used in operating activities	<u>\$ (43,140)</u>	<u>(32,871)</u>	<u>(743,738)</u>	<u>(819,749)</u>

See accompanying independent auditors' report.

## **Agency Funds**

**Cooper Tennis Trust**—This agency fund accounts for the assets and liabilities of the Cooper Tennis Trust Fund, which provides for the maintenance of Cooper Park.

**Municipal Court Bond**—This agency fund was created to account for cash bonds received at the Municipal Court.

**Revolving Payroll Fund**—This agency fund accounts for the liability transactions of the City's payroll system.



**CITY OF SPRINGFIELD, MISSOURI**  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
Year ended June 30, 2006

<b>Cooper Tennis Trust</b>	<b>June 30, 2005</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2006</b>
<b>Assets:</b>				
Cash and short-term investments	\$ 583,947	38,548	229,121	393,374
Accounts receivable	124,950	—	—	124,950
Accrued interest receivable	3,869	19,079	18,068	4,880
	<u>\$ 712,766</u>	<u>57,627</u>	<u>247,189</u>	<u>523,204</u>
<b>Liabilities:</b>				
Escrows payable	\$ <u>712,766</u>	<u>57,627</u>	<u>247,189</u>	<u>523,204</u>
<b>Municipal Court Bond</b>				
<b>Assets:</b>				
Cash and short-term investments	\$ <u>82,074</u>	<u>175,771</u>	<u>229,363</u>	<u>28,482</u>
<b>Liabilities:</b>				
Municipal court bond deposits	\$ <u>82,074</u>	<u>175,771</u>	<u>229,363</u>	<u>28,482</u>
<b>Revolving Payroll</b>				
<b>Assets:</b>				
Cash and short-term investments	\$ <u>2,788,481</u>	<u>57,458,610</u>	<u>57,185,330</u>	<u>3,061,761</u>
<b>Liabilities:</b>				
Accounts payable	\$ <u>2,788,481</u>	<u>57,458,610</u>	<u>57,185,330</u>	<u>3,061,761</u>
<b>Total</b>				
<b>Assets</b>				
Cash and short-term investments	\$ 3,454,502	57,672,929	57,643,814	3,483,617
Accounts receivable	124,950	—	—	124,950
Accrued interest receivable	3,869	19,079	18,068	4,880
Total assets	<u>\$ 3,583,321</u>	<u>57,692,008</u>	<u>57,661,882</u>	<u>3,613,447</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,788,481	57,458,610	57,185,330	3,061,761
Escrows payable	712,766	57,627	247,189	523,204
Municipal court bond deposits	82,074	175,771	229,363	28,482
Total liabilities	<u>\$ 3,583,321</u>	<u>57,692,008</u>	<u>57,661,882</u>	<u>3,613,447</u>

See accompanying independent auditors' report.

## **STATISTICAL SECTION**

## CITY OF SPRINGFIELD, MISSOURI

Net Assets by Component

Last Five Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year				
	2002	2003	2004	2005	2006
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 49,803,776	76,272,303	76,998,893	86,131,536	164,639,133
Restricted	7,099,381	6,919,598	2,036,041	1,951,935	17,070,634
Unrestricted	94,380,086	86,147,008	94,365,451	104,090,927	106,730,542
Total governmental activities net assets	\$ 151,283,243	169,338,909	173,400,385	192,174,398	288,440,309
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 188,496,203	170,110,301	201,177,024	210,991,194	227,393,436
Restricted	46,342,106	72,399,024	69,439,483	68,224,833	60,565,783
Unrestricted	23,428,717	32,043,192	23,267,800	30,597,545	28,509,364
Total business-type activities net assets	\$ 258,267,026	274,552,517	293,884,307	309,813,572	316,468,583
<b>Primary government:</b>					
Invested in capital assets, net of related debt	\$ 238,299,979	246,382,604	278,175,917	297,122,730	392,032,569
Restricted	53,441,487	79,318,622	71,475,524	70,176,768	77,636,417
Unrestricted	117,808,803	118,190,200	117,633,251	134,688,472	135,239,906
Total primary government net assets	\$ 409,550,269	443,891,426	467,284,692	501,987,970	604,908,892

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

## CITY OF SPRINGFIELD, MISSOURI

## Changes in Net Assets

## Last Five Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year				
	2002	2003	2004	2005	2006
Expenses:					
Governmental activities:					
Public works	\$ 17,632,822	14,816,445	24,128,752	24,009,499	37,050,496
Public safety	46,642,300	47,943,872	51,277,147	55,760,655	52,175,803
Parks and recreation	13,195,378	21,667,728	17,903,553	23,094,617	27,533,355
Planning and development	3,960,801	6,202,362	7,719,508	7,416,310	8,415,927
Public health	7,019,196	8,175,010	9,656,142	7,989,157	8,166,374
General government	15,438,654	16,262,936	29,690,978	19,810,593	11,551,473
Interest on long-term debt	6,091,779	7,418,153	8,361,439	9,398,355	9,937,801
Total governmental activities expenses	109,980,930	122,486,506	148,737,519	147,479,186	154,831,229
Business-type activities:					
Airport	10,743,883	11,130,492	12,080,189	13,729,355	14,451,683
Sanitary sewerage system	23,014,259	19,541,852	21,289,054	22,730,934	23,172,598
Refuse disposal	4,281,482	3,427,636	3,449,633	4,098,788	3,921,758
Golf	2,799,059	2,728,424	3,218,461	3,134,021	3,149,073
Total business-types activities expenses	40,838,683	36,828,404	40,037,337	43,693,098	44,695,112
Total primary government expenses	\$ 150,819,613	159,314,910	188,774,856	191,172,284	199,526,341
Program revenues (see schedule 3):					
Governmental activities:					
Charges for services:					
Public works	\$ 367,786	841,358	697,477	530,291	277,280
Public safety	477,403	1,536,421	3,058,297	3,177,231	3,983,268
Parks and recreation	3,071,569	3,237,912	3,822,913	3,871,740	3,976,469
Planning and development	—	—	—	—	—
Public health	578,986	549,004	454,628	1,070,553	933,014
General government	2,048,581	961,727	533,779	—	7,678,909
Interest on long-term debt	—	—	—	—	—
Operating grants and contributions	12,879,224	17,975,306	15,771,071	19,726,506	18,430,104
Capital grants and contributions	1,710,649	1,574,690	1,574,624	3,434,202	352,258
Total governmental activities program revenues	21,134,198	26,676,418	25,912,789	31,810,523	35,631,302
Business-type activities:					
Charges for services:					
Airport	7,607,357	8,820,906	9,053,125	11,047,454	12,654,174
Sanitary sewerage system	20,152,667	20,519,722	20,472,702	20,741,080	20,555,838
Refuse disposal	3,410,861	3,540,307	3,397,145	2,868,621	3,077,639
Golf	3,123,203	3,122,299	3,100,195	3,077,923	3,033,107
Operating grants and contributions	—	—	—	76,253	5,107
Capital grants and contributions	20,100,934	10,872,558	17,484,269	16,359,032	7,706,384
Total business-type activities program revenues	54,395,022	46,875,792	53,507,436	54,170,363	47,032,249
Total primary government program revenues	\$ 75,529,220	73,552,210	79,420,225	85,980,886	82,663,551

## CITY OF SPRINGFIELD, MISSOURI

## Changes in Net Assets

## Last Five Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year				
	2002	2003	2004	2005	2006
Net (expense) revenue:					
Governmental activities	\$ (88,846,732)	(95,810,088)	(122,824,730)	(115,668,663)	(119,199,927)
Business-type activities	13,556,339	10,047,388	13,470,099	10,477,265	2,337,137
Total primary government expenses	<u>\$ (75,290,393)</u>	<u>(85,762,700)</u>	<u>(109,354,631)</u>	<u>(105,191,398)</u>	<u>(116,862,790)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	\$ 8,388,780	14,192,502	22,614,692	18,897,464	18,464,584
Sales and use taxes	68,821,730	71,201,498	76,427,670	81,612,470	86,381,607
Franchise taxes	3,108,265	3,152,357	3,183,021	3,095,096	3,190,339
Room taxes	1,054,809	1,089,211	1,421,001	3,058,211	3,215,623
Unrestricted grants and contributions	—	—	—	—	—
Payments in lieu of taxes	—	—	—	—	12,071,385
Investment earnings	—	—	—	—	—
Revenues from use of money and property	4,238,274	2,941,918	1,586,940	3,108,056	3,589,052
Other revenue	17,874,139	20,231,780	20,463,677	23,615,618	13,569,544
Transfers	1,000,176	1,056,488	1,189,205	1,055,761	1,044,270
Total governmental activities expenses	<u>104,486,173</u>	<u>113,865,754</u>	<u>126,886,206</u>	<u>134,442,676</u>	<u>141,526,404</u>
Business-type activities:					
Revenues from use of money and property	4,445,609	4,429,595	2,785,122	3,939,945	4,175,718
Other revenue	4,152,740	2,864,996	4,265,774	2,567,816	1,186,426
Transfers	(1,000,176)	(1,056,488)	(1,189,205)	(1,055,761)	(1,044,270)
Total business-types activities expenses	<u>7,598,173</u>	<u>6,238,103</u>	<u>5,861,691</u>	<u>5,452,000</u>	<u>4,317,874</u>
Total primary government expenses	<u>\$ 112,084,346</u>	<u>120,103,857</u>	<u>132,747,897</u>	<u>139,894,676</u>	<u>145,844,278</u>
Changes in net assets:					
Governmental activities	\$ 15,639,441	18,055,666	4,061,476	18,774,013	22,326,477
Business-type activities	21,154,512	16,285,491	19,331,790	15,929,265	6,655,011
Total primary government	<u>\$ 36,793,953</u>	<u>34,341,157</u>	<u>23,393,266</u>	<u>34,703,278</u>	<u>28,981,488</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

## CITY OF SPRINGFIELD, MISSOURI

Changes in Net Assets

Last Five Fiscal Years

(Accrual Basis of Accounting)

	Program revenues			
	2002	2003	2004	2005
Program revenues:				
Governmental activities:				
Charges for services:				
Public works	\$ 367,786	841,358	697,477	530,291
Public safety	477,403	1,536,421	3,058,297	3,177,231
Parks and recreation	3,071,569	3,237,912	3,822,913	3,871,740
Planning and development	—	—	—	—
Public health	578,986	549,004	454,628	1,070,553
General government	2,048,581	961,727	533,779	—
Interest on long-term debt	—	—	—	—
Operating grants and contributions	12,879,224	17,975,306	15,771,071	19,726,506
Capital grants and contributions	1,710,649	1,574,690	1,574,624	3,434,202
Total governmental activities program revenues	21,134,198	26,676,418	25,912,789	31,810,523
Business-type activities:				
Charges for services:				
Airport	7,607,357	8,820,906	9,053,125	11,047,454
Sanitary sewerage system	20,152,667	20,519,722	20,472,702	20,741,080
Refuse disposal	3,410,861	3,540,307	3,397,145	2,868,621
Golf	3,123,203	3,122,299	3,100,195	3,077,923
Operating grants and contributions	—	—	—	76,253
Capital grants and contributions	20,100,934	10,872,558	17,484,269	16,359,032
Total business-type activities program revenues	54,395,022	46,875,792	53,507,436	54,170,363
Total primary government program revenues	\$ 75,529,220	73,552,210	79,420,225	85,980,886

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

## CITY OF SPRINGFIELD, MISSOURI

## Fund Balances, Governmental Funds

## Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund:										
Reserved	\$ 4,899,319	2,968,923	2,220,269	2,056,827	2,001,405	1,455,511	1,267,248	1,248,392	1,290,886	1,252,700
Unreserved	10,716,374	12,483,798	10,884,128	11,864,538	12,824,624	11,371,726	8,996,347	7,818,165	7,939,189	11,347,936
Total general fund	\$ 15,615,693	15,454,721	13,104,397	13,921,365	14,826,029	12,827,237	10,263,595	9,066,557	9,230,075	12,600,636
All other governmental funds:										
Reserved	\$ 16,813,463	21,667,322	26,548,670	47,780,761	61,453,270	18,502,104	34,882,464	24,666,895	23,801,620	32,244,961
Unreserved, reported in:										
Special revenue funds	5,205,923	4,531,901	7,014,903	10,960,657	15,533,376	14,705,047	15,087,520	13,312,377	14,314,779	16,531,043
Debt service funds	—	—	—	—	—	27,722,803	30,164,887	36,353,617	37,410,504	17,424,713
Capital projects funds	(1,415,179)	2,911,325	9,697,619	29,144,717	18,963,131	44,279,088	29,525,151	38,463,732	25,768,809	31,756,019
Permanent funds	—	—	—	—	—	1,501,323	1,522,614	1,554,000	1,629,747	71,962
Total all other governmental funds	\$ 20,604,207	29,110,548	43,261,192	87,886,135	95,949,777	106,710,365	111,182,636	114,350,621	102,925,459	98,028,698

Note: The City began to reporting the permanent funds separately when it implemented GASB Statement 34 in fiscal year 2002.

**CITY OF SPRINGFIELD, MISSOURI**  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues:</b>										
Taxes (see schedule 6)	\$ 49,189,223	58,168,486	67,465,088	70,648,017	73,299,923	81,338,114	89,863,046	95,844,688	100,258,445	107,065,863
Licenses and permits	2,365,250	2,421,965	2,608,302	2,771,508	2,736,672	2,754,099	2,824,732	2,902,802	3,144,633	3,421,680
Intergovernmental	19,587,089	18,278,275	18,658,455	21,188,039	19,970,336	14,589,873	19,549,996	17,345,695	23,160,702	18,782,362
Charges for services	4,832,802	4,838,508	5,487,845	5,286,365	5,649,820	6,544,325	7,126,422	8,567,094	8,649,815	9,170,031
Fines and forfeitures	1,179,534	1,508,324	1,675,084	1,412,994	1,086,772	1,133,461	1,364,153	1,642,981	1,987,547	1,925,595
Special assessments	225,286	231,698	72,788	431,106	130,065	457,012	594,082	1,040,524	1,507,152	2,331,634
Revenues from use of money and property	2,776,216	2,542,079	3,246,817	5,634,036	7,461,762	4,238,274	2,941,918	1,573,281	3,108,056	3,589,052
Payments in lieu of taxes	8,789,516	11,042,951	9,275,794	9,525,351	13,123,713	8,140,047	8,727,089	9,059,192	9,847,279	12,071,385
Other						4,661,313	5,486,984	5,831,837	7,129,008	10,138,029
<b>Total revenues</b>	<b>88,944,916</b>	<b>99,052,286</b>	<b>108,490,173</b>	<b>116,897,416</b>	<b>123,459,063</b>	<b>123,856,518</b>	<b>138,478,422</b>	<b>143,808,094</b>	<b>158,792,637</b>	<b>168,495,631</b>
<b>Expenditures:</b>										
Public works	7,438,430	7,722,489	9,300,141	7,906,713	10,918,932	14,802,555	16,396,222	15,120,597	14,926,330	21,550,644
Public safety	28,702,058	31,220,099	33,223,554	35,236,040	39,178,966	44,464,942	47,300,713	50,453,379	50,164,194	48,056,652
Parks and recreation	5,007,434	5,617,757	4,526,677	4,281,891	5,933,649	12,421,032	11,996,668	13,183,989	14,351,498	15,123,942
Planning and development	8,928,117	9,948,524	8,859,412	9,335,281	9,128,588	5,670,462	7,388,989	5,942,209	7,375,018	7,772,186
Public health	5,250,222	5,443,397	5,423,398	5,585,551	5,666,864	6,853,058	6,876,349	7,402,309	7,971,289	7,985,907
General government	15,872,697	16,507,319	23,454,823	21,480,828	22,036,458	14,733,507	15,505,188	17,086,545	18,788,712	18,803,721
Debt service:										
Principal	4,207,318	3,944,550	4,750,000	4,736,175	5,015,122	6,348,582	9,795,360	10,544,861	10,207,174	16,631,779
Interest and other charges	1,630,572	1,366,549	2,072,314	4,775,415	5,505,991	6,367,713	9,822,192	10,334,185	8,968,007	10,100,744
Capital outlay	20,674,407	15,049,546	15,014,589	29,019,860	31,039,450	38,070,017	57,123,843	54,874,061	43,039,434	37,464,372
<b>Total expenditures</b>	<b>97,711,255</b>	<b>96,820,230</b>	<b>106,624,908</b>	<b>122,357,754</b>	<b>134,424,020</b>	<b>149,731,868</b>	<b>182,205,524</b>	<b>184,942,135</b>	<b>175,791,656</b>	<b>183,489,947</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(8,766,339)</b>	<b>2,232,056</b>	<b>1,865,265</b>	<b>(5,460,338)</b>	<b>(10,964,957)</b>	<b>(25,875,350)</b>	<b>(43,727,102)</b>	<b>(41,134,041)</b>	<b>(16,999,019)</b>	<b>(14,994,316)</b>
<b>Other financing sources (uses):</b>										
Bond proceeds	6,365,000	5,000,000	8,500,000	50,269,467	18,890,000	26,416,888	43,299,240	39,867,936	3,966,614	12,505,000
Bond premium (discount)	—	—	—	—	—	—	—	—	—	(81,154)
Issuance of refunding bonds	—	—	—	—	—	—	5,470,000	12,230,470	—	—
Loan proceeds	—	—	—	—	—	4,000,000	—	—	—	—
Capital lease proceeds	—	—	—	—	—	574,525	—	820,000	715,000	—
Payment to escrow agent	(6,275,822)	—	—	—	—	—	(4,190,000)	(11,002,623)	—	—
Transfers in	9,836,584	9,770,165	10,804,798	10,095,157	10,609,829	13,859,509	20,993,362	19,136,975	19,102,873	21,700,332
Transfers out	(8,819,328)	(8,970,370)	(10,238,423)	(9,418,534)	(9,670,515)	(12,131,594)	(19,936,871)	(17,947,770)	(18,047,112)	(20,656,062)
<b>Total other financing sources (uses)</b>	<b>1,106,434</b>	<b>5,799,795</b>	<b>9,066,375</b>	<b>50,946,090</b>	<b>19,829,314</b>	<b>32,719,328</b>	<b>45,635,731</b>	<b>43,104,988</b>	<b>5,737,375</b>	<b>13,468,116</b>
<b>Net changes in fund balances</b>	<b>\$ (7,659,905)</b>	<b>8,031,851</b>	<b>10,931,640</b>	<b>45,485,752</b>	<b>8,864,357</b>	<b>6,843,978</b>	<b>1,908,629</b>	<b>1,970,947</b>	<b>(11,261,644)</b>	<b>(1,526,200)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.6%</b>	<b>6.5%</b>	<b>7.4%</b>	<b>10.2%</b>	<b>10.2%</b>	<b>11.4%</b>	<b>15.7%</b>	<b>16.1%</b>	<b>14.4%</b>	<b>18.3%</b>



## CITY OF SPRINGFIELD, MISSOURI

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal year	Sales	Use (b)	Property	Franchise	Cigarette	Room	Total
1997	\$ 27,728,533	876,157	9,044,937	3,010,440	940,374	864,834	42,465,275
1998	29,732,969	2,518,931	9,960,996	3,152,851	1,042,138	908,610	47,316,495
1999	36,407,724	2,833,514	10,271,487	3,454,034	1,014,167	1,009,784	54,990,710
2000	37,910,535	3,244,752	10,967,544	3,505,405	993,892	1,057,762	57,679,890
2001	43,742,582	3,033,181	11,306,303	3,129,014	982,400	1,261,432	63,454,912
2002	45,836,776	2,963,847	13,893,784	3,108,265	958,280	1,054,809	67,815,761
2003	52,813,994	1,513,175	12,836,723	3,152,357	940,611	1,089,211	72,346,071
2004	50,230,401	1,774,926	14,500,384	3,183,021	973,699	1,491,914	72,154,345
2005	52,150,223	2,048,961	15,457,530	3,095,096	970,337	3,133,413	76,855,560
2006	55,681,447	2,244,616	16,568,231	3,190,339	999,955	3,215,623	81,900,211
Change:							
1997 - 2006	100.8%	156.2%	83.2%	6.0%	6.3%	271.8%	92.9%

## Notes:

(a) Includes General, Special Revenue and Debt Service Funds.

(b) 1997 use tax revenues represent nine month collections. State of Missouri stopped collecting due to legal challenge.

## CITY OF SPRINGFIELD, MISSOURI

## Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(In thousands of dollars)

Fiscal year	Real property	Personal property	Total taxable assessed property	Total direct tax rate	Estimated actual taxable value	Taxable assessed value as a percentage of actual taxable value
1997	\$ 1,077,259	278,917	1,356,176	0.6000	5,431,673	0.250%
1998	1,198,130	284,303	1,482,433	0.6000	6,066,138	0.244
1999	1,264,928	289,442	1,554,370	0.6000	6,291,215	0.247
2000	1,293,714	325,992	1,619,706	0.6000	7,787,095	0.208
2001	1,339,532	361,982	1,701,514	0.6000	8,136,223	0.209
2002	1,466,739	395,092	1,861,831	0.6000	8,906,141	0.209
2003	1,506,988	412,182	1,919,170	0.6000	9,145,332	0.210
2004	1,580,052	426,330	2,006,382	0.5993	8,023,128	0.250
2005	1,765,691	456,127	2,221,818	0.6086	8,882,190	0.250
2006	1,810,455	446,981	2,257,436	0.6086	9,036,367	0.250

## CITY OF SPRINGFIELD, MISSOURI

## Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of assessed value)

Fiscal year	City direct rates				
	Art Museum	Parks	Health	Combined debt service	Total direct rate
1997	\$ 0.0400	0.1800	0.1100	0.2700	0.6000
1998	0.0400	0.1800	0.1100	0.2700	0.6000
1999	0.0400	0.1800	0.1100	0.2700	0.6000
2000	0.0400	0.1800	0.1100	0.2700	0.6000
2001	0.0400	0.1800	0.1100	0.2700	0.6000
2002	0.0400	0.1800	0.1100	0.2700	0.6000
2003	0.0400	0.1800	0.1100	0.2700	0.6000
2004	0.0393	0.1800	0.1100	0.2700	0.5993
2005	0.0383	0.1830	0.1248	0.2625	0.6086
2006	0.0383	0.1830	0.1248	0.2625	0.6086

Fiscal year	Springfield R-12 School District	Overlapping rates					State of Missouri
		Greene County	Greene County Road and Bridge	Sheltered Workshop	Springfield- Greene Count Library	Vocational College District	
1997	\$ 3.3200	0.0800	0.0800	0.0500	0.2100	0.0900	0.0300
1998	3.1700	0.0800	0.0800	0.0500	0.2000	0.0900	0.0300
1999	3.1800	0.0900	0.0900	0.0500	0.2100	0.1000	0.0300
2000	3.1800	0.1000	0.1000	0.0500	0.2100	0.1500	0.0300
2001	3.2701	0.0848	0.0848	0.0500	0.2100	0.1500	0.0300
2002	3.2006	0.1072	0.1072	0.0487	0.2045	0.1458	0.0300
2003	3.2192	0.1050	0.1050	0.0488	0.2547	0.1458	0.0300
2004	3.2235	0.1120	0.1120	0.0488	0.2547	0.1458	0.0300
2005	3.2235	0.1010	0.1010	0.0488	0.2547	0.1458	0.0300
2006	3.3330	0.1099	0.1099	0.0470	0.2455	0.1406	0.0300

## CITY OF SPRINGFIELD, MISSOURI

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2006			2005			2004			2003			2002		
	Taxable assessed value	Percentage of total city taxable assessed value		Taxable assessed value	Percentage of total city taxable assessed value		Taxable assessed value	Percentage of total city taxable assessed value		Taxable assessed value	Percentage of total city taxable assessed value		Taxable assessed value	Percentage of total city taxable assessed value	
Hermel, Inc	\$ 10,279,100	0.46%	\$	10,279,100	0.46%	\$	10,116,380	0.50%	\$	10,014,050	0.52%	\$	10,014,050	0.54%	
Jones, Jerral W Etal	9,661,860	0.43		6,186,640	0.28		5,758,890	0.29		6,189,830	0.32		6,189,830	0.33	
Lester E Cox Medical Center	9,489,350	0.42		6,694,980	0.30		6,534,440	0.33		6,534,440	0.34		6,534,440	0.35	
St Johns Health Systems	9,147,840	0.41		12,933,510	0.58		12,162,730	0.61		12,162,730	0.63		11,162,730	0.60	
Kimco Springfield	6,983,680	0.31		3,614,430	0.16		3,547,200	0.18		3,547,200	0.18		3,547,200	0.19	
Grizzly Ind. Inc	5,465,570	0.24		5,499,500	0.25		3,141,060	0.16		2,871,940	0.15		5,277,760	0.28	
Bass Pro Inc.	5,356,080	0.24		4,875,040	0.22		4,016,350	0.20		4,016,350	0.21		—	—	
Ferrell-Duncan Building Co. LLC	5,241,020	0.23		5,532,580	0.25		5,532,580	0.28		5,532,580	0.29		5,532,580	0.30	
Lowes Home Centers	5,195,930	0.23		5,303,800	0.24		5,347,400	0.27		2,913,190	0.15		2,913,190	0.16	
Industrial Consultant Group	5,124,260	0.23		—	—		—	—		—	—		—	—	
Kraft Inc.	3,802,460	0.17		3,828,200	0.17		3,739,300	0.19		3,739,300	0.19		3,739,300	0.20	
American Natl Property & Casualty	3,779,360	0.17		3,746,690	0.17		3,746,690	0.19		3,746,690	0.20		3,746,690	0.20	
Wal-Mart - 2021 E Independence	3,713,030	0.16		—	—		—	—		—	—		—	—	
Wal-Mart - 3315 S Campbell	3,607,040	0.16		—	—		—	—		—	—		—	—	
The Greens at Springfield LP	3,367,980	0.15		3,367,980	0.15		3,425,090	0.17		3,268,700	0.17		—	—	
Kelly Greens LLC	3,050,270	0.14		3,050,270	0.14		2,759,120	0.14		2,627,340	0.14		2,627,340	0.14	
Lorne Cook Company	2,742,750	0.12		—	—		—	—		—	—		—	—	
Wal-Mart - 2825 N Kansas Expressway	2,737,480	0.12		2,405,730	0.11		2,509,640	0.13		2,509,640	0.13		2,509,640	0.13	
New Prime	2,726,970	0.12		—	—		—	—		—	—		—	—	
Associated Wholesale Grocers, Inc.	2,702,670	0.12		—	—		—	—		—	—		—	—	
Battlefield Plaza LLC	2,673,760	0.12		—	—		—	—		—	—		—	—	
Dayton Hudson	2,396,420	0.11		—	—		—	—		—	—		—	—	
Wal-Mart - 3520 W Sunshine	2,246,590	0.10		—	—		—	—		—	—		—	—	
Monclair Limited Partnership	1,985,770	0.09		—	—		—	—		—	—		2,373,990	0.13	
Cinema 16 LLC	1,844,000	0.08		—	—		—	—		—	—		—	—	
Wal-Mart - 1923 E Kearney	1,824,000	0.08		3,713,030	0.17		2,500,610	0.12		2,718,150	0.14		2,718,150	0.15	
CMF Inc.	—	—		3,028,100	0.14		2,745,370	0.14		2,745,370	0.14		2,745,370	0.15	
Columbia/HCA Health Center	—	—		—	—		—	—		—	—		—	—	
Dayco Products	—	—		—	—		—	—		—	—		—	—	
F.H. & M.H. McLemon	—	—		—	—		—	—		—	—		—	—	
First Card Service Inc.	—	—		5,124,260	0.23		5,124,260	0.26		5,496,700	0.29		5,496,700	0.30	
John Morris, Et Al	—	—		—	—		—	—		—	—		—	—	
Mid-america Dairymen	—	—		—	—		—	—		—	—		—	—	
Simon Property Group LP	—	—		4,861,350	0.22		4,861,350	0.24		4,861,350	0.25		4,861,350	0.26	
Sportsman Park Center	—	—		—	—		—	—		—	—		—	—	
	\$ 117,145,240	5.19%	\$	94,045,190	4.23%	\$	87,568,460	4.36%	\$	85,495,550	4.45%	\$	81,990,310	4.40%	

Source: Greene County Assessor

Taxpayer	2001			2000			1999			1998			1997		
	Taxable assessed value	Percentage of total city taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Percentage of total city taxable assessed value
Hermel, Inc	\$ 10,061,860	0.68%	0.68%	\$ 10,061,860	0.68%	0.68%	\$ 10,061,860	0.68%	0.68%	\$ 10,061,860	0.68%	0.68%	\$ 9,475,390	0.70%	0.70%
Jones, Jerral W Etal	6,027,620	0.41	0.41	6,027,620	0.41	0.41	6,027,620	0.41	0.41	6,027,620	0.41	0.41	4,259,740	0.31	0.31
Lester E Cox Medical Center	6,399,360	0.43	0.43	6,399,360	0.43	0.43	6,399,360	0.43	0.43	6,399,360	0.43	0.43	7,301,150	0.54	0.54
St Johns Health Systems	9,252,740	0.62	0.62	9,252,740	0.62	0.62	9,252,740	0.62	0.62	9,252,740	0.62	0.62	9,252,740	0.68	0.68
Kimco Springfield	3,698,880	0.25	0.25	3,698,880	0.25	0.25	3,698,880	0.25	0.25	3,698,880	0.25	0.25	3,436,220	0.25	0.25
Grizzly Ind. Inc	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bass Pro Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ferrell-Duncan Building Co. LLC	2,456,130	0.17	0.17	2,456,130	0.17	0.17	2,456,130	0.17	0.17	2,456,130	0.17	0.17	2,454,530	0.18	0.18
Lowes Home Centers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industrial Consultant Group	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kraft Inc.	3,041,250	0.21	0.21	3,041,250	0.21	0.21	3,041,250	0.21	0.21	3,041,250	0.21	0.21	2,910,820	0.21	0.21
American Natl Property & Casualty	3,697,890	0.25	0.25	3,697,890	0.25	0.25	3,697,890	0.25	0.25	3,697,890	0.25	0.25	3,697,890	0.27	0.27
Wal-Mart - 2021 E Independence	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wal-Mart - 3315 S Campbell	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
The Greens at Springfield LP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kelly Greens LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lorne Cook Company	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wal-Mart - 2825 N Kansas Expressway	2,965,220	0.20	0.20	2,965,220	0.20	0.20	2,965,220	0.20	0.20	2,965,220	0.20	0.20	2,965,220	0.22	0.22
New Prime	2,240,000	0.15	0.15	2,240,000	0.15	0.15	2,240,000	0.15	0.15	2,240,000	0.15	0.15	2,240,000	0.17	0.17
Associated Wholesale Grocers, Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Battlefield Plaza LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dayton Hudson	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wal-Mart - 3520 W Sunshine	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Montclair Limited Partnership	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cinema 16 LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wal-Mart - 1923 E Kearney	2,704,220	0.18	0.18	2,704,220	0.18	0.18	2,704,220	0.18	0.18	2,704,220	0.18	0.18	2,704,220	0.20	0.20
CMF Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Columbia/HCA Health Center	4,113,730	0.28	0.28	4,113,730	0.28	0.28	4,113,730	0.28	0.28	4,113,730	0.28	0.28	4,113,730	0.30	0.30
Dayco Products	2,357,410	0.16	0.16	2,357,410	0.16	0.16	2,357,410	0.16	0.16	2,357,410	0.16	0.16	2,302,080	0.17	0.17
F.H & M.H. McLemon	2,368,220	0.16	0.16	2,368,220	0.16	0.16	2,368,220	0.16	0.16	2,368,220	0.16	0.16	2,603,170	0.19	0.19
First Card Service Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
John Morris, Et Al	2,265,820	0.15	0.15	2,265,820	0.15	0.15	2,265,820	0.15	0.15	2,265,820	0.15	0.15	2,451,580	0.18	0.18
Mid-america Dairymen	2,561,980	0.17	0.17	2,561,980	0.17	0.17	2,561,980	0.17	0.17	2,561,980	0.17	0.17	2,556,540	0.19	0.19
Simon Property Group LP	4,762,500	0.32	0.32	4,762,500	0.32	0.32	4,762,500	0.32	0.32	4,762,500	0.32	0.32	4,762,500	0.35	0.35
Sportsman Park Center	4,016,350	0.27	0.27	4,016,350	0.27	0.27	4,016,350	0.27	0.27	4,016,350	0.27	0.27	4,016,350	0.30	0.30
	\$ 74,991,180	5.06%	5.06%	\$ 74,991,180	5.06%	5.06%	\$ 74,991,180	5.06%	5.06%	\$ 74,991,180	5.06%	5.06%	\$ 73,503,870	5.42%	5.42%

Source: Greene County Assessor

## CITY OF SPRINGFIELD, MISSOURI

## Property Tax Levies and Collections

## Last Ten Fiscal Years

Fiscal year ended June 30,	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
1996	\$ 8,340,882	8,152,573	0.98%	161,528	8,314,101	0.100%
1997	8,855,824	8,653,376	0.98	209,932	8,863,308	0.100
1998	9,604,533	9,490,881	0.99	266,712	9,757,593	0.102
1999	10,134,348	10,026,502	0.99	257,456	10,283,958	0.101
2000	11,085,979	10,931,511	0.99	298,371	11,229,882	0.101
2001	12,287,876	12,005,893	0.98	370,510	12,376,403	0.101
2002	12,427,440	12,292,076	0.99	387,539	12,679,615	0.102
2003	12,730,822	12,688,612	1.00	389,273	13,077,885	0.103
2004	13,654,390	13,422,584	0.98	309,879	13,732,463	0.101
2005	14,614,545	14,300,872	0.98	—	14,300,872	0.098

## CITY OF SPRINGFIELD, MISSOURI

## Taxable Sales by Category

## Current Year

(Dollars are in thousands)

	<b>Calendar year 2006</b>
Apparel stores	860,249
General merchandise	252,152
Food stores	260,620
Eating and drinking establishments	361,963
Home furnishings and appliances	239,828
Building materials and farm tools	576,128
Auto dealers and supplies	49,557
Service stations	53,717
Other retail stores	465,810
All other outlets	832,345
<b>Total</b>	<b>3,952,369</b>
City direct sales tax rate	1.375%

Source: Missouri Department of Revenue.



**CITY OF SPRINGFIELD, MISSOURI**

## Direct and Overlapping Sales Tax Rates

## Last Ten Fiscal Years

<b>Fiscal year</b>	<b>City direct rate</b>	<b>Greene County</b>
1997	1.375%	6.100%
1998	1.375	6.475
1999	1.375	6.475
2000	1.375	6.475
2001	1.375	6.475
2002	1.375	6.600
2003	1.375	6.600
2004	1.375	6.600
2005	1.375	6.600
2006	1.375	6.600

## CITY OF SPRINGFIELD, MISSOURI

## Sales Tax Revenue Payers by Industry

Fiscal Years 2006 and 2005

(Dollars are in thousands)

	Fiscal year 2006			Fiscal year 2005		
	Number of filers	Percentage of total	Tax liability	Percentage of total	Tax liability	Percentage of total
General merchandise stores	82	2.01%	815,503	2.06%	761,734	19.51%
Department stores	15	0.37	717,103	0.32	664,537	17.02
Miscellaneous retail	1,589	38.96	562,997	39.36	558,897	14.31
Eating and drinking places	377	9.24	380,294	9.44	358,223	9.17
Furniture, home furnishings, and equipment	314	7.70	337,840	7.12	314,341	8.05
Wholesale trade – durable goods	345	8.46	307,776	7.89	268,400	6.87
Food stores	120	2.94	277,120	2.64	261,181	6.69
Grocery stores	54	1.32	258,157	1.11	241,974	6.20
Furniture and home furnishings stores	106	2.60	243,645	2.29	232,732	5.96
Retail stores, not elsewhere classified	1,077	26.40	249,980	27.78	243,212	6.23
	4,079	100.00%	4,150,415	100.00%	3,905,231	100.00%

Source: Missouri Department of Revenue.

## CITY OF SPRINGFIELD, MISSOURI

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

Fiscal year	Governmental activities					Business-type activities				Total primary government	Percentage of personal income	Per capita
	General obligation bonds	Special assessment bonds	Certificates of participation	Revenue bonds	Neighborhood improvement district bonds	Capital lease obligations	Loans	Revenue bonds	Notes payable/loans			
1997	\$ 16,145	300	—	10,615	—	—	125	49,770	17,019	93,974	3.33%	\$ 627
1998	18,135	150	—	9,955	—	—	—	50,621	15,765	94,626	2.80	628
1999	14,190	—	—	17,800	—	—	—	49,658	15,650	97,298	2.76	655
2000	10,040	—	7,430	60,053	—	—	—	46,872	17,270	141,665	3.86	946
2001	9,730	3,000	7,430	71,238	—	—	—	43,961	53,068	188,427	5.25	1,248
2002	6,695	2,905	33,215	68,020	—	529	4,000	40,247	45,945	201,556	5.30	1,324
2003	5,650	2,810	29,015	107,944	—	344	4,000	80,746	38,040	268,549	6.75	1,730
2004	4,570	5,760	24,090	140,436	675	811	3,912	77,305	40,497	298,056	7.39	1,909
2005	6,085	6,840	19,040	136,659	650	1,156	3,912	81,204	39,527	295,073	6.88	1,858
2006	5,295	10,415	13,360	139,364	625	857	—	73,374	47,689	290,979	6.90	1,936

## CITY OF SPRINGFIELD, MISSOURI

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

Fiscal year	General bonded debt outstanding			Percentage of actual taxable value of property	Per capita
	General obligation bonds	Special assessment bonds	Total		
1997	\$ 16,145	300	16,445	1.21%	\$ 109.78
1998	18,135	150	18,285	1.23	121.41
1999	14,190	—	14,190	0.91	95.53
2000	10,040	—	10,040	0.62	67.03
2001	9,730	3,000	12,730	0.75	84.30
2002	6,695	2,905	9,600	0.52	63.06
2003	5,650	2,810	8,460	0.44	54.51
2004	4,570	5,760	10,330	0.51	66.17
2005	6,085	6,840	12,925	0.58	81.38
2006	5,295	10,415	15,710	0.70	104.53

## CITY OF SPRINGFIELD, MISSOURI

## Direct and Overlapping Governmental Activities Debt

June 30, 2006

(Dollars in thousands)

Governmental unit	Debt outstanding	Estimated percentage applicable	Estimated share of direct and overlapping debt
Debt repaid with property taxes:			
Springfield R-12 School District	\$ 229,254	74.30%	\$ 170,336
Ozarks Technical Community College	60,059	46.20	27,747
Greene County	10,660	57.00	6,076
Greene County Library District	6,605	57.00	3,765
Subtotal, overlapping debt			207,924
City direct debt			169,916
Total direct and overlapping debt			\$ 377,840

## CITY OF SPRINGFIELD, MISSOURI

## Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

## Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 2,221,818
Debt limit (30% of assessed value)	666,545
Debt applicable to limit:	
Total bonded debt:	
General obligation and special assessment	169,916
Less amount in debt service funds available	(829)
for retirement of general obligation debt	(140,414)
Public building corporation bonds outstanding	(12,310)
Certificate of participation bonds outstanding	
Total net debt applicable to limit	16,363
Legal debt margin	\$ 650,182

	Fiscal year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit										
Total net debt applicable to limit	\$ 406,853	444,730	466,311	485,912	510,454	559,892	575,751	589,661	601,915	666,545
Legal debt margin	\$ 395,439	432,754	458,994	469,205	506,296	548,089	564,638	575,212	584,313	650,182
Total net debt applicable to the limit as a percentage of debt limit	2.81%	2.69%	1.57%	3.44%	0.81%	2.11%	1.93%	2.45%	2.92%	2.45%

## CITY OF SPRINGFIELD, MISSOURI

## Pledged-Revenue Coverage

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year	Sanitary sewerage revenue bond coverage					National airport revenue bond coverage				
	Gross revenues	Less operating expense	Net available revenue	Debt service	Coverage	Gross revenues	Less operating expense	Net available revenue	Debt service	Coverage
				Principal	Interest				Principal	Interest
1997	\$	18,179	9,043	1,480	2,607	\$	6,205	2,477	235	399
1998		17,973	8,942	1,584	2,095		6,197	1,978	205	307
1999		18,438	9,085	1,873	2,245		8,179	3,448	455	326
2000		19,479	9,694	2,105	2,439		8,505	3,661	430	361
2001		20,128	10,538	2,081	2,071		8,149	2,731	455	292
2002		20,153	12,878	2,078	2,111		7,607	1,845	470	274
2003		20,520	11,372	2,201	1,967		8,821	2,648	500	255
2004		20,473	9,603	2,499	4,462		9,053	2,568	520	235
2005		20,741	9,823	2,559	3,933		10,949	3,491	545	213
2006		20,556	9,947	3,370	3,889		12,654	4,351	4,015	189

Schedule 18

Fiscal year	Special assessment bonds			
	Special assessment revenue	Debt service		Coverage
		Principal	Interest	
1997	\$ 537	—	34	15.79
1998	540	—	37	14.59
1999	307	—	165	1.86
2000	675	—	69	9.78
2001	262	—	112	2.34
2002	620	95	175	2.30
2003	660	95	186	2.35
2004	1,062	100	308	2.60
2005	1,566	290	353	2.44
2006	2,542	560	434	2.56



## CITY OF SPRINGFIELD, MISSOURI

## Demographic and Economic Statistics

## Last Ten Calendar Years

Fiscal year	Population	Personal income	Per capital personal income	Median age	Education level in years of schooling	Public school enrollment	Unemployment rate
1996	149,800	\$ 2,820,135	\$ 18,826	32.60	13	24,876	3.3%
1997	150,604	3,384,674	22,474	32.60	13	24,126	3.3
1998	148,540	3,519,952	23,697	32.60	13	24,293	3.3
1999	149,775	3,673,232	24,525	32.60	13	24,499	3.0
2000	151,010	3,592,377	23,789	32.60	13	25,044	2.0
2001	152,245	3,800,035	24,960	33.70	13	24,463	3.0
2002	155,208	3,976,739	25,622	33.80	13	24,356	4.5
2003	156,124	4,034,244	25,840	33.90	13	24,285	3.6
2004	158,828	4,290,262	27,012	33.50	13	25,044	4.2
2005	150,298	4,219,616	28,075	34.90	13	24,285	4.0
2006	—	—	—	34.90	13	26,832	4.2

Source: Information provided by the Springfield Area Chamber of Commerce, Springfield, Missouri.

# CITY OF SPRINGFIELD, MISSOURI

## Principal Employers

Current Year

	2006	
	Employees	Percentage of total city employment
Employer:		
Cox Health Systems	8,815	4.01%
St Johns Health System	8,000	3.64
Wal-Mart Stores	4,120	1.87
Springfield Public Schools	3,000	1.36
Bass Pro Shops/Tracker Marine	2,615	1.19
United State Government	2,540	1.15
State of Missouri	2,385	1.08
Missouri State University	2,130	0.97
Chase Card Services	1,595	0.72
Citizens Memorial Healthcare	1,580	0.72
City of Springfield	1,535	0.70
O'Reilly Auto Parks	1,500	0.68
	39,815	18.09%

Source: Springfield Area Chamber of Commerce

**CITY OF SPRINGFIELD, MISSOURI**  
Full-time-Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>General operating fund departments:</b>										
Building development services										
City attorney	27.50	27.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.00
City clerk	18.00	18.00	18.00	18.00	18.00	18.00	18.00	17.00	17.00	17.00
City manager	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
City manager	8.50	8.50	7.50	8.00	8.00	8.50	8.50	7.50	7.50	7.00
Emergency communications	61.00	60.00	60.00	60.00	47.00	47.00	47.00	47.00	47.00	47.00
Finance	32.00	32.00	32.00	32.00	31.00	31.00	31.00	30.00	40.00	40.00
Fire	217.00	216.00	213.00	210.00	210.00	211.00	211.00	211.00	211.00	210.00
Human resources	14.50	14.50	14.50	14.00	14.00	14.00	13.50	13.00	13.00	12.50
Information systems	23.00	23.00	22.00	21.00	21.00	21.00	19.00	14.00	—	—
Mayor's commission	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal court	25.00	25.00	25.00	24.00	24.00	24.00	23.00	23.00	23.00	24.00
Planning and development	19.11	17.67	17.67	15.67	15.67	15.67	15.67	15.67	15.67	15.87
Police	398.00	399.00	401.00	401.00	406.00	334.00	334.00	334.00	334.00	334.00
Public health services	81.00	84.00	84.00	85.00	87.00	88.00	86.00	89.00	93.00	93.00
Public information office	14.00	13.50	13.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00
Public parks	126.50	116.50	116.00	109.00	79.00	79.00	79.00	76.00	75.00	76.00
Public works	99.90	99.50	101.10	102.60	102.15	102.15	102.15	107.00	107.00	107.25
Public works - transportation	99.60	99.40	99.40	97.90	98.90	98.90	98.90	96.90	95.24	94.24
<b>Grants and special revenue funds:</b>										
Art museum	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	12.38
Law enforcement	—	—	—	—	—	—	—	—	—	—
Hotel/motel tax	0.50	0.50	1.00	1.00	1.00	—	54.00	36.00	18.00	—
<b>Grants:</b>										
Community development	10.23	10.48	11.05	11.05	11.05	11.05	11.05	11.05	10.85	8.65
Home investment	3.50	2.75	1.50	1.50	1.50	1.50	1.50	1.50	1.70	2.70
Planning	4.16	4.10	3.78	4.78	4.78	4.78	2.78	2.78	2.78	2.78
Police	6.00	6.00	—	—	—	—	—	—	—	—
Public health	11.50	11.50	7.00	7.00	7.00	8.00	8.00	8.00	5.00	3.00
WIC program	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Workforce development	45.00	43.00	36.00	39.00	26.00	44.00	44.50	26.00	26.00	27.00
<b>Enterprise and internal service funds:</b>										
Golf	18.00	18.00	18.00	18.00	18.00	18.00	18.00	19.00	19.00	19.00
National airport	75.00	75.00	75.00	73.00	67.00	64.60	64.60	62.20	58.20	58.20
Sanitary sewer system	84.30	84.00	84.00	84.00	84.00	84.00	90.00	99.15	105.15	127.15
Solid waste	28.70	27.60	25.60	25.60	25.60	25.60	25.60	26.26	26.26	35.26
Printshop	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Self-insurance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Service center	22.40	22.40	22.40	21.90	22.35	22.35	15.35	28.35	28.35	28.10
<b>Total</b>	<b>1,608.78</b>	<b>1,594.28</b>	<b>1,569.88</b>	<b>1,558.38</b>	<b>1,502.38</b>	<b>1,534.48</b>	<b>1,494.48</b>	<b>1,473.74</b>	<b>1,452.08</b>	<b>1,460.58</b>

Source: City of Springfield Annual Budget

## CITY OF SPRINGFIELD, MISSOURI

## Operating Indicators by Function/Program

Fiscal Year 2006

## Function/program:

## Public works:

Street signs manufactured	3,108
Streets resurfaced (miles)	126
Trees maintained (Tree City USA)	2,301
Street cleaning – curb miles	895
Street cleaning – times per year	10
Right-of-way mowing (acres)	1,080
Right-of-way mowing – times per year	7

## Refuse collection:

Refuse collected (tons per day)	335
---------------------------------	-----

## Sanitary services:

Average daily sewage treatment (thousands of gallons)	33,000
---	--------

## Police:

Moving violations	27,739
Parking violations	6,818
Accident summary	6,996

## Fire:

Calls for service	14,724
Smoke Detectors installed	948
Fire Safety information contacts	45,851

## Parks and recreation:

Rounds of golf played at City golf courses	112,560
Visitors to the City's Dickerson Park Zoo	173,516
Admissions to baseball/softball complexes	137,280
Admissions to City pool facilities	58,177

## Public health:

Vaccinations provided	20,780
Public water supply tests	16,453
Impounded animals	3,883
Certified copies of birth certificates issued	17,304
Air monitoring samples collected	25,256

## Licensing division:

New permanent businesses	1,797
New temporary businesses	2,865
Business license renewals	11,680

## Building development services:

Building permits issued	915
Building inspections conducted	5,778

**CITY OF SPRINGFIELD, MISSOURI**  
**Capital Asset Statistics by Function/Program**  
**Fiscal Year 2006**

**Function/program:****Public works:**

Dump trucks	63
Street sweepers	12
Backhoes	10
Tractors/mowers	45

**Police:**

Stations	2
Patrol cars	265

**Fire:**

Stations	11
Emergency response vehicles	28

**Parks:**

Acreage	2,707
Park facilities	89
Baseball diamonds	11
Softball diamonds	27
Community centers	4

**Wastewater:**

Sanitary sewers (miles)	1,125
Sanitary sewer manholes	26,406
Storm sewers (miles)	500
Treatment capacity (thousands of gallons)	56,000

**Refuse collection:**

Bulldozers	5
Compactors	3
Loaders	3